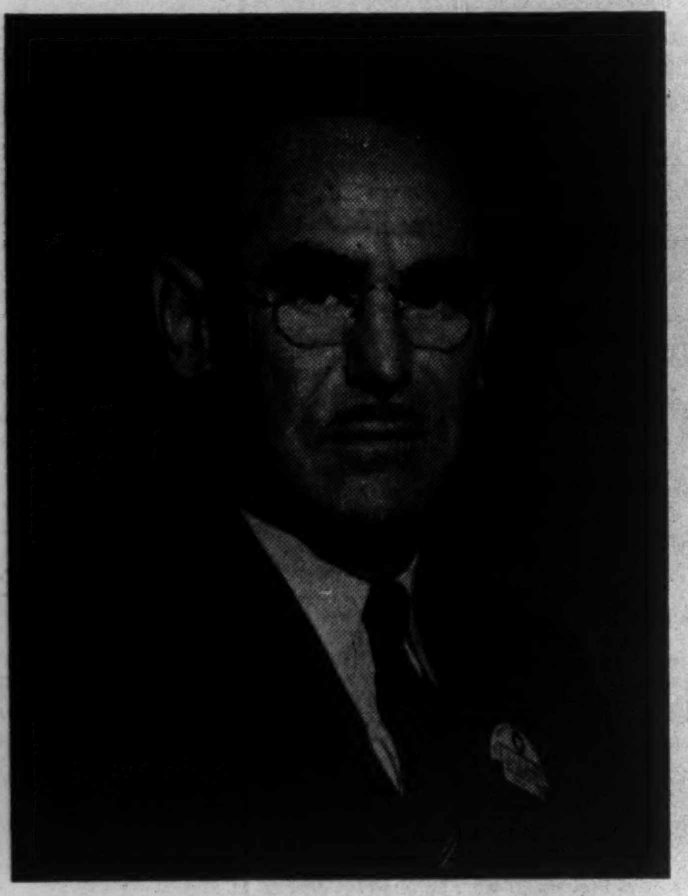
He Heads Chemists



Charles Alfred Holstad Wright, 50, new president of the Chemical Institute of Canada and since 1925 consulting chemical engineer of Consolidated Mining & Smelting Co., Trail, B.C., has been credited with a substantial contribution to Canada's atomic bomb research as a consulting chemical engineer on the recent secret "Project No. 9." Dr. Wright, New Brunswick born, is credited besides with seven important chemical papers; belongs to six technical and professional societies in Canada and United States.

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THE NATION'S BUSINESS

What We Taxpayers Are Up Against

Early in R. B. Bennett's regime, he one day noticed a sizeable group of men file into the basement of a government building. He saw them do the same thing another day. He noticed the same performance again at noon. Curiosity aroused, he asked about it, got this answer.

The daily paraders were a group enjoying petty patronage. They had had jobs to do during the summer, but with winter no one had thought up good use for them. But their politically-minded bosses didn't want to face the music of firing them, so the gang was kept on the payroll all winter.

One sleuth visited the gang's basement. There, in a cosy unused corridor lined with steampipes, the group had established its club for cribbage and other diversions which whiled away the hours between the four-times-daily punching of the time clock.

The fact that this sort of thing can and does happen, that there are administrators who will countenance this nonsense and that there are politicians who will demand it, is very much more important than that the ebullient Mr. Bennett had this particular set of swillers at the public trough immediately dismissed.

That's just one kind of trouble the taxpayer is up against. Here's another.

Each of us in our own affairs can easily talk ourselves into a sincere conviction that we need a new car, or two cars or an extra radio, or an extra secretary, or an extra something else. Each of those things would be very nice to have. Each, unquestionably, would serve some good purpose.

But before we ordinary citizens act on these desires, we have to decide whether or not we can afford them; whether or not they will "earn their keep."

Government doesn't have to work that way. There is virtually nothing that government can't afford. We the taxpayers are its almost bottomless well of wealth. Taxpayers will, of course, do some desultory squawking and muttering, but from long experience, the politicians are pretty confident that they can go on bamboozling us as to how they spend our money.

The taxpayer's problem today, in trying to get good value for the tax dollars forced out of him, comes down in the final analysis to a system which puts the incentive on spending, which tends to reward the cynical and the grasping rather than the conscientious; which is wonderfully contrived for extracting money from us and turning it over to special groups in that society.

To look into and report to taxpayers on some of these things is one function of the research department just established by the Maclean-Hunter Publishing Co. Ltd. Elsewhere in this issue, we present one of its preliminary reports.

What will come of this look at the operations of the biggest business in Canada? Let's get out the facts first.

Reckoning Day for Labor Barons

Today's reality is that trade unionism has grown to such a stature, has so successfully acquired privileges and avoided responsibilities, that society finds, for its own protection and the protection of trade union members themselves, that it must take a new look at this mighty institution.

Some union leaders now hold in their own hands power that lets them defy, with virtual impunity, government and the overwhelming body of public opinion. They have become stronger than government itself. They tie up and debauch a whole nation's economy. Those with closed shop agreements, can doom to impoverishment individuals who question or reject their leadership, at least until the worker learns to make his living at some other job. And with or without a closed shop, the union leader has his very highly organized teams of "pressure boys" who use various forms of "putting the heat" on "troublesome" union members; in making life extremely miserable for the worker and his family.

The labor leader can instruct his army to halt production regardless of the effect on the community as a whole, on other workers, on managers and shareholders. He can order his army to damage and wreck and prevent access to property, and neither he nor his union is liable to penalties for so doing.

Unions grew as minority groups fighting in a generally hostile world for certain well-defined objectives—more pay and better working conditions.

With their development as giant international corporations, with powerful hierarchies of professional executives, they have become very different things.

Obviously, the interest of union executives may frequently be different from that of the union member. The member is interested in his own wages and working conditions. But for the union executive, the modern union has become a giant instrument which he can use in the pursuit of many diverse interests, his own power, his own job security, for instance. Almost inevitably political ends get tangled with union ends.

Thus the union member finds himself a pawn in big power plays. He finds himself pulled out on strikes in which he has only a hypothetical interest. It has been estimated that it will take until 1953 for General Motors workers in the U. S. to be as well off as the company's original offer would have made them.

The state, representing the whole people, finally asserted its authority against the feudal lords with their private armies. The state long since asserted its authority over business and how it might operate, combine and conduct itself in its relationships with the rest of the community. The reckoning day for the labor barons is approaching.

Ship Shortage Hits Exporters At Vancouver

U. S. Firms Get Jump in Race For Pacific Markets; "Golden Chance Missed"

From Our Own Correspondent

VANCOUVER — This sprawling British Columbia seaport, paradoxically enough, has become the victim of a shortage of ships. Sources close to the exporting trade are beginning to complain publicly that U. S. exporters are getting the jump on Canadian firms in foreign markets served by this port, particularly in the Orient, because of a shortage of bottoms out of Vancouver.

Vancouver Merchants' Exchange reports that "hundreds" of Canadians are seeking accommodation to foreign countries, chiefly the United Kingdom, from here, but in most cases are unsuccessful.

Several local shipping firms which have acquired wartime "Victory" ships will be able to offer service expanding within the next few months, but in the meantime plans of many Canadian exporters for postwar trade are being severely tried.

Biggest source of disappointment

(Continued on page 2, col. 3)

Expect Higher Price Yet For Canadian Newsprint

Although the U. S. newsprint price of $73.80 for Canadian newsprint is at its highest level since 1925, both investors and the industry are looking for a further increase this year. No one is prepared to predict definitely how much the price boost will be but suggestions run from $4 to $6¼ a ton. The larger figure would mean a price of $80 a ton in the United States.

Principal support for the argument that another jump is coming lies in the fact that a price increase was under consideration by the OPA prior to its unexpected demise. Canadian mills stressed that the recent increase of $6.80 a ton was solely to counteract the placing of the Canadian dollar on a par with the United States dollar—that they still expected the OPA to deal with the price problem if controls were revived.

Analysts interpret the stress placed on dollar revaluation as the sole reason for this increase as indicating the mill's determination to maintain the $6.80 increase irrespective of possible further price control action in the United States.

Some observers see the newsprint price investigation proposal of Representative Sikes, of Florida, as an attempt, backed by the publishers, to block a further price increase. In calling for a House committee to investigate the possibility of monopolistic price practices, Representative Sikes said it should look into the newsprint situation "on which considerable material has been submitted to me by publishers and printers." Observers feel this last phrase may have given his hand away.

Canadian mills indicated their willingness to fall in with U. S. manufacturers in holding prices pending a decision on OPA's fate but indicated their expectation that a revised OPA would consider a price boost. A decision of the United States Government not to resume price control would be followed by a further price boost by the Canadian mills, analysts feel. Increased costs of wood, labor and freight charges have been affecting profit margins and, it is claimed, justify a higher price. Reports say some newsprint company executives were considering an even greater boost immediately had U. S. manufacturers given the lead in raising prices.

Particularly significant were the statements of two companies in announcing the increased price. Each indicates that a higher price is justified and expected. Abitibi Power & Paper Co.'s announcement commented:

"In the last days of June an increase in the price of newsprint paper was under consideration by the OPA and in addition a delegation of United States newspaper publishers appealed to the OPA Administrator for an increase in the ceiling price on newsprint. Termination of the OPA prevented action being taken by that body.

"Under these circumstances it would seem fair that we put this price adjustment into effect dur-

(Continued on page 2, col. 8)

See Washington Negotiations Blow to Wheat Pact With U.K.

From Our Own Correspondent

WINNIPEG (Special)—Likelihood of a long-term wheat contract being signed between Canada and Great Britain is believed to have been greatly diminished this week as the International Wheat Conference resumed its sittings in Washington.

While it is considered that some form of formal undertaking may be reached, authoritative grain sources believe that it will contain none of the controversial features contemplated up until now. The principle of a firm price for Britain, below world price levels and irrespective of supply is believed to be certain of rejection by the Conference.

Canada, Great Britain, the United States and many other countries are participating in the conference, with the avowed objective of drafting a new wheat agreement to which most of the countries of the world might become signatories.

As was the case with the Washington agreement, the principal proponent is the United States Canadian grain men find it hard to see how efforts in that direction can be successful except on the basis of abrogating the contract which has been under discussion between Canada and the United Kingdom. Also it is regarded as certain that no agreement to which the United States is a party will call either for that country to set up a government wheat monopoly such as now prevails in Canada or for the closing of U. S. public grain markets. Either of such developments, it is felt, would be contrary both to government policy and to the wishes of producers in the United States.

At a meeting on July 15 the International Wheat Conference set up a preparatory committee, charged with the duty of preparing a draft general agreement for later consideration by various countries, and the preparatory committee is expected to make its first report before the end of August.

It is not impossible that by pressing such negotiations at this time the United States Government is choosing one way of making effective its objections to the contract between Canada and Great Britain, and that such a contract, even if signed, must be regarded as tentative only, until the fate of larger plans, now under discussion, is made clear.

Boot Mystery New Headache For WAC Head

MONTREAL (Staff)—Newspaper reports that thousands of pairs of "wearable" shoes were discarded and thrown on the Pointe St. Charles dump here has once again brought War Assets Corp. under fire. According to these reports the leather service boots had been slashed which, according to Rt. Hon. C. D. Howe's statement to Commons, is army practice to distinguish condemned material from that which could be repaired.

Early this week the mystery of who dumped the shoes in the dump had not been cleared up, but it was reported that J. S. Berry, President of WAC will make a full investigation into the corporation's part in the affair. According to Mr. Howe's statement a military court of enquiry held in M.D.4 showed the army's skirts to be clean and WAC also claimed no responsibility for the dumping.

Who Dumped the Boots?

While the whole matter is still up in the air the incident comes at a particularly bad time for WAC since it has come under fire by writers in two Canadian publications this month; Maclean's Magazine and L'Action Populaire of

(Continued on page 2, col. 3)

Expand Priority For Vets' Houses

Buried in Mr. Howe's exhaustive outline of housing needs and action in the Commons this week was a little noticed reference to a move which may have big import for hundreds of veterans.

Advocated by the National Home Builders' Association at a Winnipeg meeting with Priorities Director Wilbur Uren last week, decided upon and inserted in the Howe speech only at the last minute, the move extends top supply priority to the veteran who is building his own home and whose house is 50% completed, (roofed and ready for plaster). Under the "APH" priority rating announced earlier, only veterans with houses 75% completed could qualify for the "finish the job" priority.

Inside News

Cut Spending—Where?

Practically everyone, with the possible exception of Finance Minister Ilsley, agrees that Canada needs to curtail Government spending, in order to ease the tax burden. There is far from the same unanimity, however, as to where economy should begin. Many of the Dominion's expenditures are fixed by statute; others are more or less fixed by the necessity of the hour. The Editorial Research Department of Maclean-Hunter Publishing Company Limited analyzes government spending, and points to a possible field for economy (p. 13).

What About Communists?

Should Canadian Communists continue to enjoy the same privileges and guarantees as other individuals and other political parties? The Financial Post polls a group of Canadian political economists, editors, businessmen, labor men and others, on that question (p. 13).

Brazil is in Market

Brazil is looking to Canada to aid her in postwar recovery and trade expansion. She needs machinery and a wide range of other commodities which the Dominion can provide, under favorable supply conditions. And Brazil says that she, in return, can fill many of this country's needs. Brazil is tired of being called "the country of the future," wants recognition as "the country of today," says Augusto Frederico Schmidt, an unofficial trade envoy for his country now visiting Canada (p. 12).

Path to Victory

Canadian newspapermen recently toured Europe, following the trail of victory which Canadian troops helped to blaze, from Normandy through Belgium and Holland. Floyd Chalmers, executive vice-president of Maclean-Hunter Publishing Company Limited, tells of the epic tour. Chalmers' Diary (p. 10).

Bid Compton Wait, See

Uncertainties as to the business outlook continue to cloud the investment horizon, and counsel a "wait and see" policy, Compton's investment manager reports. Recent "switches" have brought Compton's investment income to a new high of $535.85, equal to a 5.36% yield on the original $10,000 investment which yielded $3.94% when taken over 10 months ago. Managed Investment (p. 7).

Piecemeal Reconfederation

Reconfederation, even if on a piecemeal basis, appeared in prospect this week. Four provincial premiers had conferred, or were on their way to do so, with Ottawa, on the subject of separate agreements, as proposed by Finance Minister Ilsley in his budget speech. Provincial Roundup (p. 3).

Morrison on Limb

Herbert Morrison has put himself on a spot where he must either get the enquiry into the British press which he has demanded, or "make a humiliating climb-down." It is understood Prime Minister Atlee and Foreign Secretary Ernest Bevin are against him. The BBC has received a five-year extension of operation under its present terms. London Calling, by Adelphi (p. 20).

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To Boost Housing Loans But Not Up to Full Cost

OTTAWA (Special)—Perhaps the key fact in the new federal approach to housing that was described Monday by Reconstruction Minister Howe is that Ottawa has formally adopted a much more liberal estimate of the size of the housing job to be done. In calculating the house shortage, hence the Dominion's building target, Mr. Howe has apparently set an objective of eliminating all except voluntary doubling up of families in single dwelling units.

On that basis he founds his estimate of a shortage of 150,000 dwelling units in the spring of 1946 and 180,000 in the spring of 1947. From that estimate follows the revision of building targets from 60,000 in the current year; 80,000 the following fiscal year and 100,000 every year after that until March, 1952.

To meet this goal, Mr. Howe's program involves extensive use of all the resources of his Central Mortgage and Housing Corporation. Most of the emphasis will have to be on materials and supplies—to enable Wartime Housing to complete its 10,900 units this year, Housing Enterprises to complete the 3,443 dwelling units it has undertaken and the integrated housing plan to finish the 2,135 dwellings approved under that system of Government-guaranteed private construction, to name a few of the major projects.

Problem Present

Much of the housing statement is devoted to building supplies, and in almost every case, Mr. Howe was able to report substantial improvements. But it may illustrate the difficulties still ahead, to point out that in almost every case, the Minister reported percentage improvements—not absolute totals, and in only two cases was he able to report that there was a big enough supply in sight to meet the stepped-up building program. Those cases where supplies seem adequate were paints and builders' hardware.

On the financial side of the new program, Mr. Howe has steered a middle course. Lending values have already been increased 8 to 10% this year, he states, to bring them to 150% of the 1939 level of costs. But he has refused to give lending values any further hoist to absorb extra costs such as delays or the "very long profit being taken by some builders" nor will NHA boost the 90% rate of lending to $5,000 homes as had been suggested. "We think that already the increase in loans since April 29 has had the effect of increasing sale prices." NHA isn't going to finance runaway prices.

This part of the new housing policy conforms pretty closely to the views of lending institutions. Somewhat against their views, the term for repayment of mortgages has been extended to 25 years from the former 20-year period. For the borrower, this means carrying charges of $5.53 per month for every thousand dollars borrowed, as compared with the former charge of $6.30 a month. For the lender, it does not mean as great an increase in risk as the change might indicate. NHA spokesmen point out that the big risk in a mortgage lies in the period before it is 50% repaid. That means that under the old plan the "risk phase" lasted for 12 years, under the new it will last about 15 years.

It is felt that the longer term and lighter charges may actually help keep some mortgages "sweet," which might sour very rapidly if quicker repayment conditions were enforced. Incidentally some 30-year repayment loans are already in effect for suitably planned communities and more will likely be made. The beneficiaries of the 30-year privilege are not all luxury suburbs, either. Some of the new and well-

(Continued on page 2, col. 1)

GM Auto Outlay Growing Strikes Delaying Others

Supply shortages resulting from present and past strikes are again interfering with production in the automobile industry, a Financial Post survey revealed this week. The four-week-old rubber strike is causing most trouble now, tire shortages being cited as a cause of delay by several companies.

General Motors: Almost alone of Canadian manufacturers, GM is feeling no pinch. Oshawa's production of 6,200 cars and trucks in June was the highest of any month so far this year and the rate of production for July to date is still higher. These vehicles, made both for the domestic and export markets, are fitted with Canadian tires and the company has enough on hand to continue production un-until the annual company holiday week, Aug 5 to 10 inclusive, and start up again thereafter at the same rate. The steel strike has not yet threatened supplies and Canadian producers of GM components are still delivering their goods. GM's principal concern at the moment is the strike at Anaconda. If it continues much longer, it can tie up the Oshawa plants by cutting off the supply of radiator materials and other copper components.

Ford: Deliveries to western Canada have been suspended and those to eastern Canada curtailed, because of tire shortages.

Studebaker: Deliveries to Canadian dealers from the South Bend plant interrupted for two weeks when the supply of Canadian-made tires ran out. Arrangements have now been made to resume delivery of Studebakers in Canada fitted with U. S.-made tires.

Chrysler: Both Windsor and Chatham plants completely shut down since employees went on strike June 18.

Nash: Cars again beginning to trickle through in 'dribbles and dabs" from the Kenosha, Wisc., factory. Canadian dealers got no deliveries through the last week of May to the end of June. This was when the Kenosha plant suspended operations for two weeks because of shortages of cushion springs, bumpers, door springs.

Hudson: Tilbury plant not yet in production and all Canadian deliveries made direct from Detroit with Canadian tires fitted. Supply of Canadian tires in Detroit reported adequate for the time being, but if exhausted before Canadian tire makers get into production again, company will switch to installing U. S. casings and tubes.

Willys: Unaffected by Canadian strikes and "sales improving because company has goods from its American plants to deliver." Civilian jeeps are "going very well" according to Canadian officials of the company.

Packard: Production gradually picking up after first-quarter lull when American plants operated total of only nine days. But cars still coming through lacking bumpers. Dealer deliveries to Canadian buyers still far behind orders on hand.

New OPA Bill To Be "Fluid"

From Our Own Correspondent

WASHINGTON — The Office of Price Administration is considering only a partial rollback on prices under the new price control legislature, The Financial Post is informed by high government officials.

The long delay which has occurred in enactment of a revival measure is said to have raised serious doubts within the OPA over the feasibility of setting all ceilings back to the levels of June 30. Although Price Administrator Paul A. Porter, following the President's veto of the earlier extension bill, had served warning that price increases occurring during the period of Congresional debate would not be recognized by the agency, its officials now privately concede that in the restoration of price ceilings they may have to take two steps:

1—Grant a period of grace before

(Continued on page 2, col. 6)

'What I Say Goes' Mr. Speaker Insists in Commons What Lies Behind the Fauteux Gags on M.P.'s

OTTAWA (Special) — "Mr. Speaker, with the greatest deference and respect, I must appeal from your ruling."

These words, or similar phrases conveying the same mingling of official reverence and exasperated protest, have probably appeared more frequently in the records of the House of Commons during the past year than in any previous year in the history of Canada's Parliament.

The Honorable Gaspard Fauteux, D.D.S., L.D.S., who emerged from the last general election by soundly thrashing Montreal's Mayor Houde in St. Mary's riding, to become Speaker of the Commons, has been building for himself a record of House divisions on his points of order—that is, until quite recently. In the last week or 10 days he has developed a new technique summed up in the very simple ruling: "There is no appeal." That has left the opposition with nothing to do but nurse their official sense of complete bewilderment, frustration and annoyance.

Yet drag any one of them into the lobbies a minute later and you will get the same unanimous opinion: "Gaspard? Oh, he's a thoroughly good fellow."

The irony of it is that Parliament has seldom, if ever, elected a Speaker who struggled more ardently to be absolutely fair. He has ruled ministers of the Crown out of order with as much, perhaps more, alacrity, than members in the opposition benches. He is conscientious to an extreme in mastering the complicated and outmoded rule book. In fact, this book of rules may be his worst pitfall.

Appeals Ruled Out

Meanwhile his rulings are building up from precedent to precedent in a manner which is causing serious concern. It started last session with the comparatively mild policy of shutting out questions in the House and instructing that they wait their turn on the order paper, whether they dealt with families being evicted, veterans dismissed from their jobs or failure of the Government to act on impending strikes. It climbed to a muzzling of debate on any subject, no matter how vital, which Mr. Speaker and his advisors consider should not be discussed.

It has reached the point now where, by ruling of the Speaker, the House is no longer master of its own procedure. Rulings of the Speaker are not subject to a vote of the House. Rulings of the Speaker must not be discussed by members lest the dignity and decorum of the House be endangered. Questions on the order paper may be removed at the will of someone behind the scenes, and if the member protests, he will be furnished with an explanation in the form of memoranda from the clerk of the House. But, as a result of this week's ruling, he must not read that memorandum on the floor of the House. In the words of the Progressive-Conservative member for Peel, this week "an asbestos curtain" is being drawn down over a picture of dictatorship which few democratic parliaments have ever witnessed.

If Mr. Speaker Fauteux fitted the role of a dictator, he might carry it all off with the heavy hand of discipline. His commands of "order" might be the signal for quiet, instead of touching off day by day the familiar scenes of disorder, anger and chaos, which none can control. Each succeeding incident is more explosive than the last and threatens a blast which might eventually blow Mr. Speaker off his dais.

Velvet Scabbard

But Mr. Fauteux is anything but a dictator. Mild-mannered, a charming and gracious host at social functions, a generous and wise administrator outside the House of Commons, he is the antithesis of everything which his career as Speaker implies. His dynamite-laden rulings are delivered in slightly halting, diffident English, and he apologizes profusely as he deprives a member of another right or privilege.

Before it is forgotten, it should be recorded here that Mr. Fauteux is responsible for perhaps the most popular and liberal ruling in the history of Parliament. Shattering the precedent of the ages and going back far enough to take issue with St. Paul in so doing, he has delivered the edict that women may appear in the galleries of the House of Commons without hats. He added that ladies were more than welcome in the House of Commons at any time whether hatted or hatless.

Even here, apparently Mr. Fauteux met with some opposition. He took this ruling on a question raised by the only woman member, Mrs. Gladys Strum, home for overnight consideration. Madame Fauteux, he confesses privately, didn't like it a bit. She believed that women should come to the House of Commons, as to church, properly attired.

Grandson of the Honorable Honore Mercier and nephew of Sir Lomer Gouin, both former premiers of Quebec, Mr. Speaker Fauteux is 48. He is a graduate in dentistry of the University of Montreal but after becoming governor of the College des Chirurgiens Dentistes of Quebec, left his profession to join the circle of successful prosperous Montreal businessmen. He is an importer, with an intimate first-hand knowledge of South America and between sessions last winter made a trip to Mexico, where he was honored by the Mexi-

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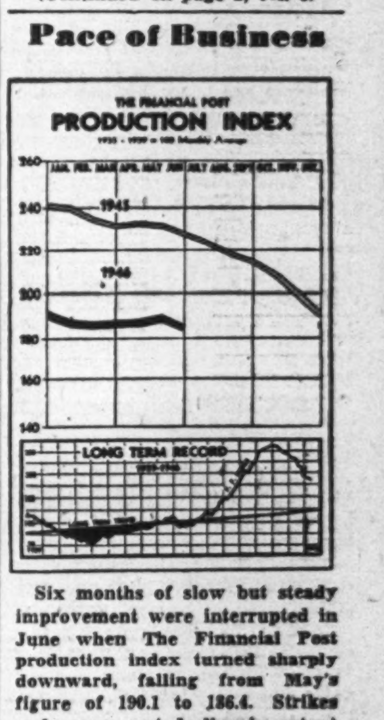
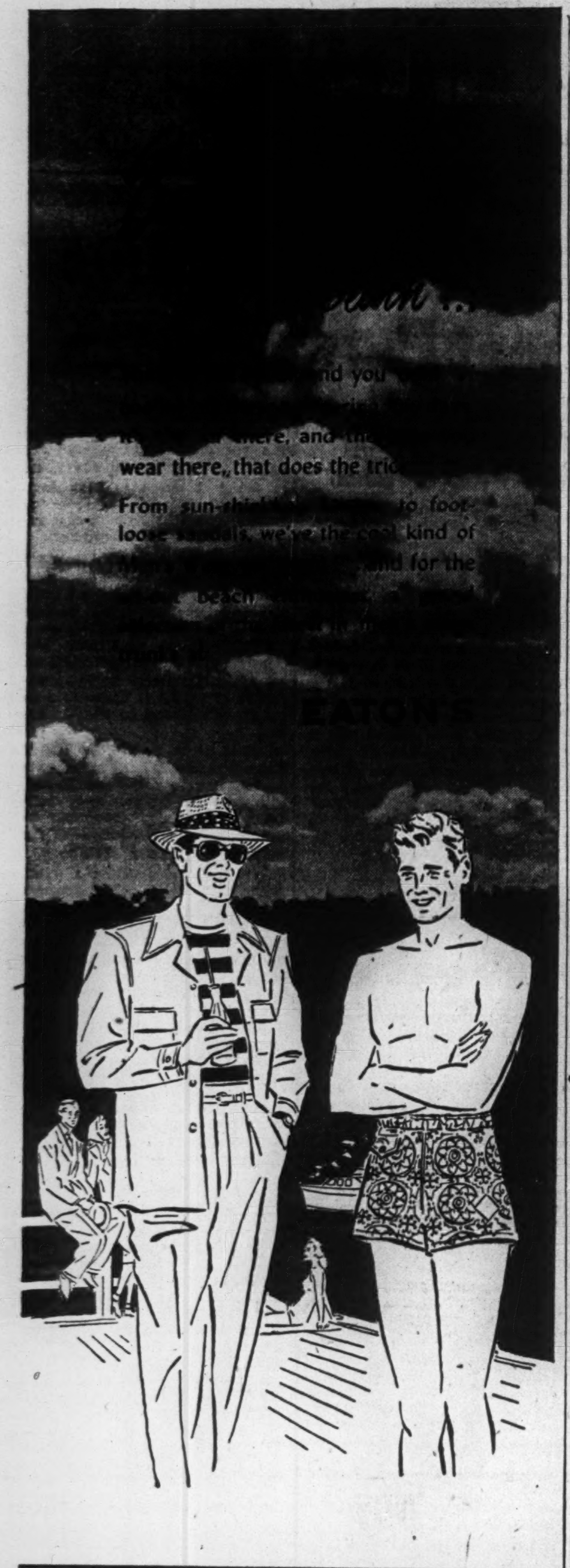
Pace of Business



Six months of slow but steady improvement were interrupted in June when The Financial Post production index turned sharply downward, falling from May's figure of 190.1 to 186.4. Strikes and consequent decline in output of several commodities were major factors in the downward trend. The index reflected walkouts in the cotton textile industry of Ontario and Quebec and the loggers' strike in British Columbia. Newsprint and minerals were both lower in volume during the month, but production was up in such unrelated fields as electrical appliances, sugar refineries and the dairy industry.



To Boost Housing Loans But Not Up to Full Cost

(Continued from page 1)
planned paper towns would rate the 30-year term, it is believed.

A fairly substantial part of the new code is aimed at outlying area and industrial towns. One of the new resolutions would enable CHMC to make loans to borrowers engaged in mining and lumbering to provide moderate or low cost housing for their employees either on a rental or sale basis. This type of housing is needed if employment in such industries is to be maintained. "The Day of the bunk house" says Mr. Howe, "is over."

Having already extended NHA lending facilities to all provinces it is now also planned to make the government loans more readily available to farmers.

As far as building priorities are concerned the breaks will still all go to veterans. A veteran with his house half finished can now claim for materials priorities — formerly his house had to be 75% completed. There have not been many requests for these priorities so far, it is understood.

Regulate Veterans' Building

On one minor point there has been a little tightening-up as far as veterans are concerned. Small holdings under the Veterans' Land Act must be strictly rural. It won't be possible, except in rare exceptions, to build under VLA within a town limit. The test will be whether the land is likely to become urban in the reasonably near future. If it promises early urbanization, it's out for VLA.

Except for these two points, the veteran's position is pretty much as before. He rates first chance at new buildings whether for sale or rental.

As to priorities as between industrial and residential, the position is not greatly changed. Ottawa is extending the double depreciation clause so that industry will be able to benefit from its terms and yet defer industrial building. But Ottawa is only encouraging a postponement, not laying down the law. That is still the function of the municipalities, to whom Ottawa transferred this power last December.

There's another hot one for the municipalities in the latest program. For some time municipal officers have complained about the low rate of "taxes" paid on Wartime Housing developments. The rates do not cover the municipal services provided, it is claimed, will Ottawa please take enough from its share of rentals paid by veterans to foot the municipal bills?

A proposal like this might be reasonable enough, it's felt, if Ottawa were making a profit on Wartime Housing. But at best, Wartime Housing rentals barely cover the cost of operation, so that any hand-out to municipalities from the slim rentals would in effect come out of the federal taxpayer's pocket. So the proposition will not be considered.

Extra Tax Possible

What Ottawa is willing to do, is to collect an extra tax from its veteran tenants if the municipalities request it. The responsibility for levying the tax has to be borne by the municipality. Ottawa won't do it on its own responsibility, and won't let the municipalities tax federal property.

On the other hand, Mr. Howe pointed out that Wartime Housing properties will be sold to the municipalities at $1,000 a house after 10 to 13 years and this should be some compensation for the loss of taxes in the meantime. Incidentally, housing men in Ottawa point out that there was no joker in the original agreements with the municipalities. It was clear from the first what taxes they could collect on Wartime Housing properties.

Outside of these points, the new housing policy is pretty much a continuation and streamlining of the existing policy. Emergency shelter activities will likely be continued in to 1947. Wartime Housing may go into another year, but its position will be reappraised later on when this year's building is completed and it can be determined what further requests for Wartime Housing are forthcoming from municipalities. Lending powers of the National Housing Act are to be extended to certain types of leased property notably property in the national parks and certain mining lands in the provinces, some church property which is only available on long leases.

But all these points are secondary to the main task of getting 60,000 houses built this year. They are to be built by private enterprise as far as possible, says Mr. Howe, but if they are not forthcoming in sufficient numbers, "The Dominion Government will take a direct position in the housing field."

Steel Co. 'Willing to Share with Workers' But Won't Be 'Coerced by Shotgun Methods'

In a statement to the Parliamentary Committee, H. G. Hilton, president, the Steel Co. of Canada this week reported past and present facts on the steel strike. Excerpts from his report are presented herewith:

Hilton on The Union

On the general question of union security, Mr. Hilton said:

We are emphatically opposed to any form of so-called union security in so far as our plant is concerned. The union argues that union security makes for improved employer-employee relations. This contention has not been borne out by the experience of steel companies which have dealt with the United Steelworkers of America and conceded this demand. These companies have had the reverse experience. As an example, the U. S. Steel Corp., the first large steel company to sign a union agreement with the United Steelworkers of America, including exclusive bargaining rights and the check-off, experienced 611 strikes at its various plants between December, 1941, and December, 1945.

In January there was a general strike in the U. S. steel industry in breach of contracts between the USWA and the various companies.

We maintain our right to hire and retain in our employ any law-abiding resident of Canada who performs his duties satisfactorily.

The fact that other companies, producing basic steel in Canada, had granted measures of union security to the United Steelworkers did not prevent strikes during wartime and union security has not prevented numerous work stoppages in other industries.

Ore and coal cargoes are being unloaded as received. Coke production has been maintained steadily, at approximately 85% of capacity. The larger of the two blast furnaces in operating condition when the strike was called has been producing pig iron consistently at a rate somewhat better than average. Daily ingot production has been approximately 2,000 tons which is 65% of normal maximum output and—most significant—about one third above the maximum pre-war daily production. The entire production of ingots has been rolled in the bloom and billet mills, and the rod mill, plate mill and one bar mill have operated daily.

In the 36 years since this company was formed in 1910, it has never experienced a strike against Hamilton Works as a whole until the present one; and in the past 25 years, has only experienced one departmental stoppage on account of strike action. For many years before the war, this company paid higher rates of wages than either of its competitors involved in this dispute.

Protest Law Violations

We have no quarrel with unions as such. We put no impediment in the way of our employees joining any association they choose. We do, however, protest against the policy of coercion and violation of the law which has prevailed since the CIO started operations fostered by one-sided labor legislation in the United States.

Our practice of paying high wages, establishment of the pension plan, benefit plan and the inauguration of holidays with pay, all took place long before the CIO appeared on the scene.

The record of continuous service with the company is ample evidence of its excellent labor relations policy. Particulars of the length of service of the employees of Hamilton Works are as follows:

25 years and over	559
20 years to 25 years	392
15 years to 20 years	511
10 years to 15 years	517
5 years to 10 years	1,006
Up to 5 years	2,313
TOTAL	5,298

The union commenced its active organization campaign as long ago as 1937. During the intervening years a constant campaign has been carried on to disrupt the good relationships which have always existed between the employees and management. Misrepresentation of facts and accusations of bad faith on the part of company officials were constantly resorted to. To create a feeling of distrust, hand bills have been passed out at the gates of the plant during all these years.

Background of a Strike

Nine months ago, in preparation for the strike, the union instituted weekly broadcasts. In these broadcasts a studied effort has been made to discredit the company in the eyes of both employees and public. They have been replete with statements which were misleading and, in some cases, utterly false.

The union testified in Ontario Labor Court in the autumn of 1943 that its membership in good standing was 259 out of approximately 4,650 eligible employees. May 8 (1946) an official count of membership in good standing carried out under the supervision of an official of the Department of Labor showed 2,256 out of a total of 4,868 employees.

Following a hearing before the Ontario Labor Court, a vote, supervised by the court, was taken at Hamilton Works in which out of 4,450 eligible to vote, 3,790 actually did so and of them 2,461 or 55% of the total eligible voted in favor of the CIO. They were, accordingly, certified and after lengthy negotiations a collective bargaining agreement was signed which expired Feb. 24, 1946. Discussions concerning a new agreement commences Jan. 3, 1946.

Notwithstanding the fact that, only a year previously, after lengthy negotiations, an agreement acceptable to both parties was reached and signed, the union insisted upon an entirely new agreement containing many highly objectionable features. As an example, the union insisted on deletion of a nonstrike clause during the term of the contract in this new agreement. They refused to agree to a clause prohibiting strikes over wages and hours of work while present wage ceilings, imposed by the Government prevailed.

In addition to this complete contract revision, the publicized demands of an increase of 19½c. an hour, a 40-hour week, two weeks' holidays with pay after five years' service, shift differentials of 5c. and 10c. an hour, and union security were presented. Between the first meeting and April 1 five meetings took place. The union refused to budge one iota from this schedule of demands which, for Hamilton Works only would represent an increase in cost estimated at $3,360,000 per year. In a union broadcast on Jan. 22, the Research Director of the United Steelworkers of America made the statement that acceptance of the union demands by the company would only involve $481,000 a year.

Company Offers

The company made a counter-offer of 5½c. an hour and two weeks' vacation with pay to employees with 10 years of service and more. This was scoffed at by the union as not worth consideration. Subsequently this offer was increased to 10c. an hour accompanied by two weeks' vacation with pay to employees with five years of service and more. This was also ridiculed by the union.

The unyielding attitude of the union, that their demands must be met in full or they will tie up large sections of Canadian industry regardless of the effect upon the public, is no collective bargaining, and is contrary to the spirit and intent of the Canadian labor laws, which safeguard the rights of labor to organize and bargain collectively.

The union demand is for an increase of 19½c. an hour. Our present average hourly earnings for all payroll employees are approximately 87c. an hour. The Dominion Bureau of Statistics gives an average of 72½c. an hour for manufacturing in Hamilton. The union, by its repetition of the figure of $33.60 a week, has attempted to create the impression that a large number of our employees receive weekly wages less than this amount. Nothing could be farther from the truth. At Hamilton Works, this figure of $33.60 should be related to unskilled labor from whose ranks men are promoted to more skilled and better-paid jobs as there are openings and as they gain the necessary experience and knowledge for these better jobs. Substantially less than 10% of all Hamilton Works' employees are in this minimum classification.

Since the outbreak of war, our basic or minimum hourly rate has increased by 39% and, if the union's demand were granted in full, it would result in an increase of 80% above the pre-war figure. The company's offer of 10c. an hour would result in an increase of 60% during the same time. When this offer is compared with a rise in the cost of living index of approximately 22%, surely it cannot be claimed that it does not keep pace with this index.

Would Mean Lower Pay

The union requests a reduction to 40 hours per week as the standard work week in place of the present standard of 48. The combination of a reduction of 40 hours' work per week and 19½c. per hour increase as demanded by the union would result in an actual decrease in weekly pay to approximately 20% of our employees who are the most highly skilled and experienced in the organization.

In the steel industry, it is necessary for many departments to be operated 24 hours a day seven days a week because of their nature. The 48-hour week is maintained by providing relief men who are scheduled in such a way that no man regularly works more than six shifts of eight hours per shift per week. In addition, wherever work is continuously of a hot, heavy nature, spell hands are provided so that in some cases men actually work only half the time for which they are paid and others a somewhat greater proportion.

The union has demanded that, in addition to the 19½c. an hour demand, a 5c. premium be paid for the shift from 3 p.m. until 11 o'clock at night making an increase of 24½c. an hour for such work and that a premium of 10c. an hour be paid for work on the shift from 11 o'clock at night until 7 o'clock in the morning, making an increase of 29½c. an hour. The idea is wrong in principle as our more skilled employees look forward to securing an all-day turn job. Under the shift differential system, such all-day turn employees would receive lower rates of pay than many of their fellow-workers with less experience or ability. There would also be inevitable dissatisfaction, because those working shifts would receive a greater increase in pay than those not working shifts.

We believe firmly that industry has a three-fold responsibility—to pay the best wages it can to its employees, to provide a fair return to its owners, the shareholders, and to give constantly improving products to its customers at the lowest possible prices consistent with the first two responsibilities.

Hilton on The Strike

Discussing the situation in Hamilton, Mr. Hilton said:

The situation prevailing in Hamilton today beggars description. During the past week we havev witnessed the spectacle of the electrical workers picketing a hotel because a company is carrying on some of its business in the building instead of in its main office at the plant, while, at the same time, mob picketing is keeping employees out of our office and compelling us to do business in the hotel.

There are over 2,000 men obeying the law of the country in the plant, and as a result of the same mob picketing, they are being compelled to forego their normal home life by others who are in open defiance of not one but several laws.

Intimidation of the wives and families of the employees in the plant is rampant. Charges of this have been laid and there have already been two convictions in police court. Their homes are being defaced. On July 10 the union issued a statement to the press that the company is hiring hoodlums to terrify the wives of loyal employees and thus smear the union. This is an outright falsehood.

Stories are being circulated that men are being detained in the plant by coercion and intimidation, which is utterly false. On the contrary, employees are managing to make their way in every night without assistance from the company. I can assure you that these men resent bitterly the failure of the Government to support them after they made their decision to do what they are doing and remain within the law. If that large number made the decision they did, there are unquestionably hundreds of others, who would come to work if not afraid of actual violence. There have been definite cases in which employees trying to get into the plant under cover of darkness have been beaten up.

I am sure the sentiment of right-thinking Canadians will be that the Government is derelict in its duty unless it requires that the union obey the laws of the country—municipal, federal and provincial—that it permit us to conduct our business under these Canadian laws, that it allow us to produce steel to serve the needs of the country, and that it enable our men, who want to work, to go to and from their work free from molestation of any kind and strictly in accordance with the laws governing picketing in Canada.

Boot Mystery New Headache

(Continued from page 1)
Joliette, Que. Articles in both publications charged WAC with fumbling its disposal job.

As far as the shoe incident is concerned most observers wonder why the delay in finding the party who actually did the dumping. Since the court of enquiry appears to have cleared the army of dumping the boots the questions to be answered are: Did the army turn them over to WAC as condemned materials? How did WAC inspectors classify the boots (saleable for use or scrap)? Who bought them?

If the army turned them over as condemned it seems possible that the boots might have been slashed to classify them as such. From here the WAC supply division would pick them up and, according to a corporation spokesman, an inspector would look them over and inventory them as saleable or unsaleable. If saleabe as boots the normal procedure as outlined by WAC is to sell merchandise through normal trade channels.

Two Ways to Do 'It

If boots were considered scrap sale could have been made to a leather wholesaler or, as sometimes occurs, WAC could have advertised them for sale publicly. According to the policy of the corporation the general public may buy direct only real estate, aircraft, ships, fishing craft, etc.

J. E. Boivin, president of the Shoe Manufacturers Association is reported to have said that if the boots had been offered to manufacturers they could have disposed of 2,000 in a week. If true, some persons think the army may have miscued by calling them condemned—War Assets by not offering them to the trade.

Ship Shortage Hits Exporters

(Continued from page 1)
here is that the Canadian Pacific system—Canada's leading pre-war carrier in the Pacific—has decided against resuming its trans-Pacific cargo and passenger service immediately. Shipping men here say they think a golden opportunity is being missed.

With Japanese production a nonenity for some time to come, according to Arthur E. Bryan, chief Canadian Trade Commissioner to the United Kingdom, who was in Vancouver this week, Far East business prospects for North American firms are big.

But, because Canadians can't find enough shipping, the U. S., which has switched its mercantile marine into service quickly, "is jumping in with both feet" in the Orient trade, according to John Rosen, Vancouver shipping executive.

A report circulated here last week from the China-America Council of Commerce and Industry states, that well over 100 U. S. trade concerns have established branches or representations in Shanghai in the past few months. Commercial imports into Shanghai in the period have run to the $40,000,000 mark, most of them from U. S. factories and fields.

Trade Need Not Wait

The report declares that "the record of the past few months shows that trade does not necessarily have to wait for establishment of complete political unity. Despite difficulties, American enterprise and ingenuity have resulted in a substantial volume of business."

Persons seeking passenger accommodation of the Vancouver Merchants' Exchange, are informed that as yet no regular ship passenger services have been restored from B. C. ports to any part of the world. West coast U. S. ports, on the other hand, have resumed service in many areas.

Announcing

Important Appointments in Canadian Industry, Finance, Business and Government.

Hiram Walker & Sons Ltd. (Walkerville, Ont.)—W. G. Shedden, manager, Toronto division.

Rolph, Clark, Stone Ltd. (Toronto)—Clair Stewart, art director.

George White & Sons Co. (London, Ont.)—C. W. Hadden, Edward Pollard, directors.

Monarch Life Insurance Co.—Geo. E. Sharpe, Winnipeg, a director.

Household Finance Corp. of Canada—J. W. Nancekivell, branch manager, Montreal.

Montreal Trust Co.—W. H. Howard, president; Sydney G. Dobson, vice-president.

Wartime Shipbuilding Ltd. (Montreal)—D. J. C. Myers, director and vice-president; J. G. Carton, secretary.

Dominion Government — B. P. Scull, associate director-general, Research and Development Branch, Dept. of Reconstruction.

RCA Victor Co. (Montreal)—J. C. E. Mitchell, manager, brand line sales.

Marathon Paper Mills of Canada—John Stevens Jr., Wasau, Wis., president; D. C. Everest, chairman of board.

University of Toronto—Dr. P. H. Greey, professor and associate director of applied bacteriology.

Marine Industries Ltd.—Leslie H. Bole, manager, Sorel shipyards.

New OPA Bill To Be 'Fluid'

(Continued from page 1)
sellers would be required to operate under ceilings. Although the new Price Act provides such a period for agricultural products — specifically permitting those to be sold without controls until Aug. 20—it is indicated by officials that the agency has in mind a number of other products which would be given similar consideration.

2—In some instances—particularly where sharp price rises would make a complete roll-back to June 30 levels difficult and would merely serve to restore black market operations —OPA would attempt to set new ceilings on a "more realistic basis."

The new Price Control Act, which is to be signed momentarily by President Truman, revives the price agency for one year but virtually restricts its functions to those of an administrative nature, while shifting basic price control authority to a three-man decontrol board. The all-important board is empowered to review all price ceilings and by Aug. 20 to determine whether or not they will restore all the exemptions for commodities except poultry and eggs.

Technically the food controls would be revived automatically by that date, but only in the event that the board failed to order that the exemptions be ended.

Look For It Here

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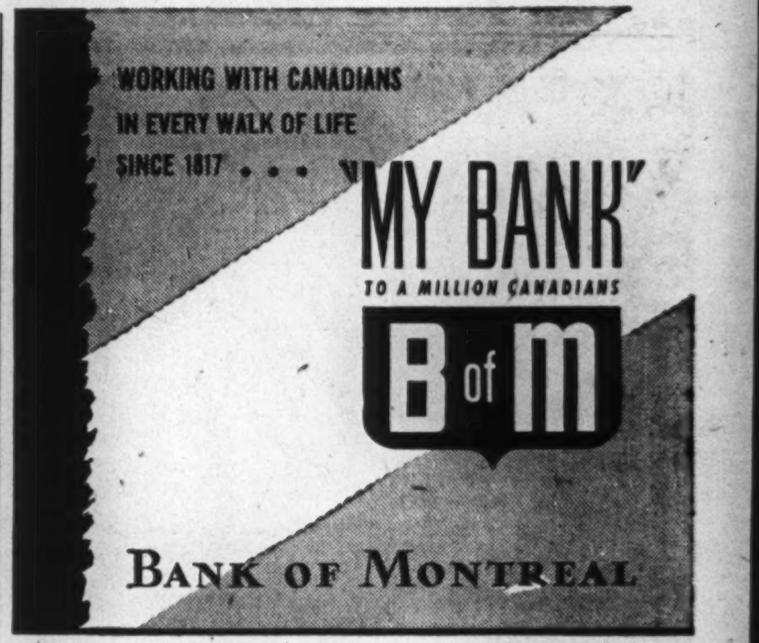


What I Say Goes—Speaker

(Continued from page 1)
can assembly. He is a popular participant in the club life of Montreal, a member of the Reform Club and the Garrison Club of Quebec.

Was MPP at 33

In the first world war, he served overseas as a sergeant; and he has been active in Quebec in the Canadian Legion. He started his political career at the age of 33 with his election to the Quebec Legislature and was elected to the House of Commons in the by-election of 1942. In the general election of 1945 he won a majority of more than 3,000 votes over Camillien Houde, a fact which is credited largely for his elevation to the Speaker's chair.

Any speaker of the House, particularly during his first sessions is, of necessity, largely in the hands of the clerk of the House, Dr. Arthur Beauchesne, on matters of procedure. There is no man better schooled in this field but opposition members are wondering whether this most likeable of Speakers is not relying a little too much on an able civil servant who in his own right has gained the reputation of dictator of the House of Commons. Or perhaps Mr. Fauteux hears a little too clearly those murmured promptings which come from the Minister of Veterans' Affairs, Ian Mackenzie or his own predecessor in office, Mines and Resources Minister James Allison Glen, promptings to which Speakers are supposed to turn deaf ears.

Even more likely, however, is a possible fear of his own ability to control a difficult House which prompts him to fall back again and again on the perfectly correct procedural edict, "Rulings of the Speaker are not debatable."

Newsprint

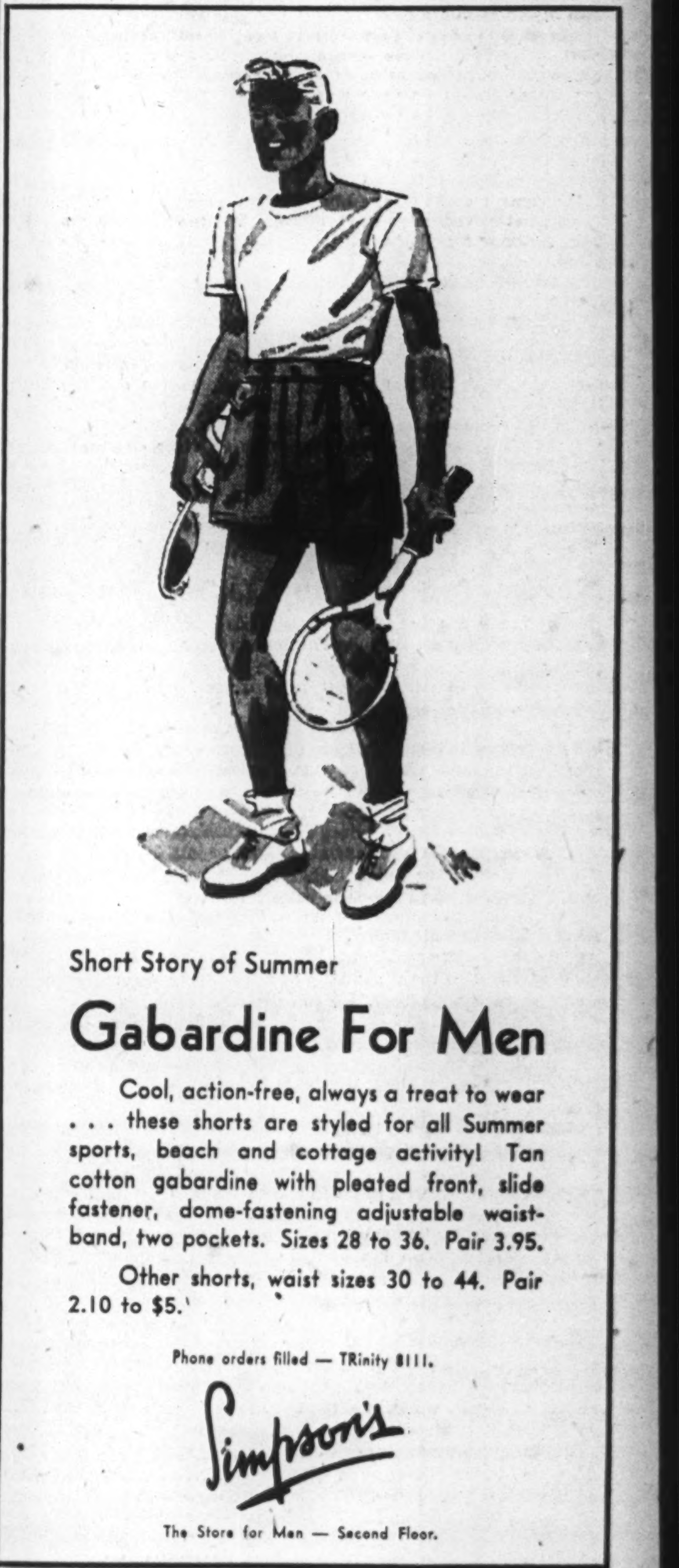
(Continued from page 1)
ing the present free market. However, we subscribe to the apparent willingness among the United States manufacturers generally to preserve the status quo as far as possible until the United States Government has had a reasonable period in which to reach final conclusion in respect to the over-all control of prices. If controls are revived we would expect the OPA to proceed with our problem at the point where it was interrupted."

International Paper Sales Co., sales outlet of Canadian International Paper Co., said in its statement that:

"This adjustment only offsets the loss to us caused by the recent revaluation of the Canadian dollar. It makes no provision for an increase, justified by entirely different factors, supported by a delegation of United States newspaper publishers and being actively considered by the OPA when its authority lapsed. This we are leaving in abeyance until Washington has had an opportunity to reach conclusions as to the future of price control, but if controls are revised we would expect the OPA to act promptly in the direction which had been intended."

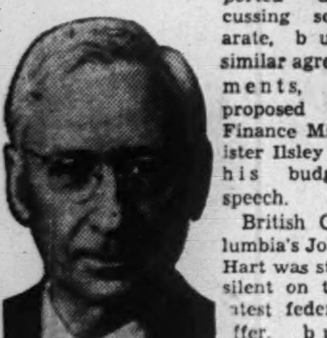
EXPORTS

Reputable export merchants desire to discuss export trade with firms who are interested in the future.



Four Provinces Talking Terms Which May Spell Reconfederation

Life-saving expeditions, from East and West, were converging on Ottawa, in an effort to salvage the Confederation ship of state, from the shoals of disagreement. Nova Scotia's Angus Macdonald led the first expedition, with others from Saskatchewan, New Brunswick and Manitoba to follow. They were reported discussing separate, but similar agreements, as proposed by Finance Minister Ilsley in his budget speech.



MR. HART

British Columbia's John Hart was still silent on the latest federal offer, but branded its predecessor (made last April, and generally considered more favorable to the provinces than the latest) "neither fair nor satisfactory;" insisted "we must get away from double taxation, but how can we, when Ottawa won't back out of our revenue fields?" Alberta's Manning had already voiced disapproval; Ontario's Drew and Quebec's Duplessis were silent, but far from consenting. Prince Edward Island's Jones also withheld comment or decision.

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Prince Edward Is.

Talk Expropriation

Charlottetown City Council, dissatisfied with Maritime Electric Co.'s service, hinted expropriation, either municipally or in collaboration with the provincial government; named a committee to study the company's position. The company replied that it had been handicapped in improving its service, first by war priorities, and more recently by U.S. coal and steel strikes.

Ferry Godfather—The Island's picture brightened as the Charles A. Dunning (formerly Sankaty) went into operation as Northumberland Ferries' second boat plying between Wood Islands and Caribou, N.S. A two-hour service (six trips a day, in all), was expected to eliminate long-waiting lines of cars and trucks, a bugbear to tourists and traders in recent years. Plans were also afoot to extend the ferry service from seven to nine months in the year, with improved docking facilities.

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Nova Scotia

Too Many Herring

Lunenburg had its first overdraft of herring in three decades; saw 16,000 lb. of the catch of 30 boats, dumped back because Lunenburg Sea Products Ltd. could not handle all the catch. The plant's freezer had handled 70,000 lb. of herring the previous night, and 500,000 lb. during several days last week, C. J. Morrow, secretary-treasurer, said.

MACDONALD
Trail Blazer?

At Halifax Captain Ben MacKenzie, president of the Canadian Fishermen's Union, said the union would apply to the WPTB for export permits to ship surplus mackerel and herring supplies to Lubec and Eastport, Me., to prevent further dumping. He said Maine buyers were willing to send vessels to Nova Scotia to pick up surplus catches.

Bad for Pictou—Historic Pictou counted its loss at $1 million in a fire which wrecked most of the waterfront and dealt a heavy blow to industry. Utterly destroyed were the new Pier E, built just before the war, two government wharves and sheds, and a dozen loaded freight cars.

With only two small jetties and a seawall left, the port stood to lose the handling of eight million feet of lumber scheduled for shipment this year. Pictou and Cumberland county lumber interests planned to divert shipments to Halifax and Malagash; result, loss of a cargo for the United Kingdom every fortnight, for Pictou; joblessness for some 60 dockworkers.

Fewer Jobless? — Unemployment in Halifax has passed its peak, is now declining, reported the National Employment Service. District Trades and Labor Council, (AFL) disputed this view, planned a survey of its own. Meanwhile, the newly formed Port of Halifax Club was busy plugging for more seaport business.

Big Repair Job—Halifax Shipyards reported a new contract, gained in competition with Norwegian yards, for repair of an 11,000-ton Norwegian freighter, damaged nearly a year ago.

Push Needed—Farmers and farm officials, in session at Truro, looked over the province's wool industry, pronounced it "hopeful, but needing more push;" called for a quality production, with a view to achieving better prices when possible.

See Tourist Boom—Tourist travel promised a new high, with July entries from U. S. points soaring, and with forecasts of an even greater boom in August.

Homes on Horizon—Nearly 100 new housing units were promised under the Nova Scotia Housing Plan, which is launching schemes at three points in Cape Breton and three in Pictou . . . low-cost houses for industrial workers and war veterans, built co-operatively by their prospective owners, aided by government loans.

Some Didn't Get Away—Maritime fish catch for May was reported up 29.7% in volume, and 31.5% in value, over May, 1945, due to increasing availability of manpower and gear. Lobsters led in value of catch, with cod, herring, sardines, herring scales, haddock, alewives, pollack and clams, next in order.

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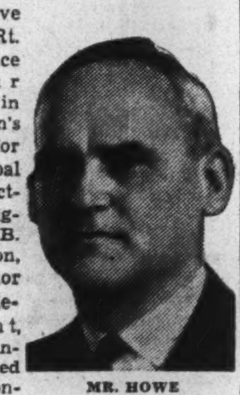
New Brunswick

Airport Wanted

Next move was up to Rt. Hon. Clarence Decatur Howe, in Saint John's campaign for a municipal airport. Acting on a suggestion of B. A. Rawson, TCA director of flight development, the city council petitioned the Reconstruction Minister at Ottawa to appoint "a suitable person" to make a meteorological survey of the area; still awaited an answer.



MR. HOWE

Flame Fiend Rages—Forest fires raged in four New Brunswick areas (as well as in Nova Scotia). Between Cocagne and Shediac, the flames raced over thinly wooded territory. Doaktown, Northumberland county and the Kent-Westmorland border were other regions menaced. Volunteers by hundreds flocked to join the province's forestry service.

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Quebec

Home-made Flags

Still adamant against any design incorporating the Union Jack, the Montreal Flag League rallied citizens of the metropolis to manufacture flags of their own, with the red and white triangle pattern sponsored by the league; insisted that the modified red ensign now before Parliament "fails to represent ethnic equality and union between the country's two main racial strains."

McGill Expands — With enrollments now over 6,000, against facilities designed for half that number, McGill University had to expand; placed contracts totalling $350,000 on enlargements to the Engineering Building and to Royal Victora College. Aim of the latter project was to feed 500 women students at one sitting, twice the present maximum.

Get That Gun Oiled — The first open season on grey partridge in several years was proclaimed (Sept. 21 to Nov. 20). Daily bag is limited to five birds, and no one may have more than three days' legal bag in his possession at one time; must not have any, after Dec. 20.

Big Pilgramage On—The province prepared for a record flow of pilgrims to the Shrine of Ste. Anne de Beaupre, for celebration of the Feast of Ste. Anne, July 26. Last year drew 50,000 to the Shrine, and a substantial higher total was anticipated this week, with travel restrictions no longer in force.

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Ontario

Long Timberline

Ontario's timberline extends considerably farther in northwestern areas of the province, than previously believed, reported R. N. Johnston, research chief of the Lands and Forests Department, after a 1,400-mile air survey which took a party of 14 to Hudson Bay. They noted poor recovery after fire damage, in several areas.

Waltonians Pay Off—Taking stock of its first three months of operation, the Fish and Wild Life Divison of Ontario's Department of Lands and Forests reported a 60% increase in revenue over a year ago ($302,907, against $188,396); attributed the jump mainly to visiting U.S. fishermen (angling permits alone jumped from $79,360 to $151,101). The Fish and Wild Life Division took over at March 31, from the former Department of Game and Fisheries.

Barkis Is Willin'—Ottawa's Mayor Stanley Lewis was ready (possibly too ready?) to become a martyr to duty. Sergt. James Hackett had promised his English war bride a kiss from the mayor of Canada's Capital City, upon her arrival there. Said Lewis (veteran of 11 years' service in his present post): "You know the mayor can't pull his punches—or refuse his kisses—if they come as official duties."

Frown on Shooting—A coroner's jury at Guelph, Ont., was critical of the fatal shooting of Donald Parks, 18, as he fled from the provincial reformatory; found that instructions given guards on the use of firearms, "were not clear," and that the guards in the present case "did not abide by the spirit" of the Criminal Code section covering escapes from custody. Officials said guards were instructed to shoot, in case of an escape attempt, but not to fire directly at a prisoner, unless they were attacked.

Thirsty Till 11.30 — The province this week cut its beer sale hours, in an effort to lengthen them; forbade hotels to sell until 11.30 a.m., an hour later than before; also required them to open between 8 and 9 p.m. (Hitherto, most beverage rooms hung out the "Sorry; sold out" sign before 6.30 p.m.).

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Manitoba

Insects Absolved

The "mystery midgets" reported ravaging northern Manitoba's spruce forests remained unidentified; but authorities were inclined to absolve them from blame, and to attribute the havoc to a form of rust. Earlier, the province had heard of hordes of insects, a quarter to half an inch in length, with silver-colored wings.

Disappearing Ducks—The province's hunters faced prospects of a lean year. With the continent's duck population estimated to be 25% lower than 1943's peak of 140 millions, a shorter open season, and a smaller bag limit were forecast here. Adverse weather conditions, affecting breeding and feeding, were blamed. Other prospects were for no open season on land game birds, unless possibly ring-necked pheasants, now reported plentiful.

Albino Rats Rare — Danger was also seen that unless northern marshes come to the rescue, Manitoba had lost the foundation stock from which it hoped to breed a species of white muskrat. Last year, trappers near the Pas caught 10 white rats (out of a total bag of 250,000) and shipped them to the Government experimental fur farm, where it was hoped they would be increased, and the species fixed. Changes in diet and climate killed off all 10, however; and last spring, the marshes didn't yield one of the albino species.

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Saskatchewan

Can't Please Many

The CCF Government stuck its neck out, in imposing new regulations, effective this week, increasing minimum wages. Employers complained no distinction was drawn between experienced and inexperienced workers; the Government agreed to reopen the question, to hear further representations, whereupon the Saskatchewan Federation of Labor protested. Meanwhile, the new rates were in force.

Plow Back Fur Profit — Natural Resources Minister Joseph Lee Phelps wound up a 1,600-mile survey, by plane and boat, of the province's northern fur resources; outlined a conservation plan to "plow back" at least 10% of proceeds from fur sales for projects such as dams, sowing of wild rice, transplanting of beaver; received pledges of co-operation from Indian and white trappers.

Calling All Cars—Blasting anew at increased traffic fatalities (five months' figures thrice those of a year ago) Provincial Treasurer Clarence Melvin Fines stressed: "this alarming toll can only be cut down substantially by a sane and responsible attitude on the part of every driver"; warned that the R.C.M.P. and the highway traffic board are launching an "intensive" safety campaign.

Wider Mercy Flights—The Government extended its air ambulance service beyond provincial boundaries; sending a plane to Idaho, to bring home a Regina man, injured in a motor crash; and making similar mercy flights to Minnesota and Manitoba.

Eyes of U. S. On You—The United States looks to Saskatchewan as one of the leaders in the co-operative field, and is closely watching progress throughout the Dominion (so, in Regina, said H. F. Infield; director of the U.S. Rural Settlement Institute).

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Alberta

No "Pie in Sky"

A province-wide curtailment in work hours, with take-home pay unchanged, would be "ill-advised at present, even though the trend is in that direction" ruled Trade and Industry Minister Clarence Edgar Gerhart, answering labor requests. He promised action, however, in cases where the step "is considered most beneficial both to the employee and to the industry." As a step, the Government ruled that work hours must not extend over a longer period than 10 consecutive hours daily, regardless of how much of that time a worker had off. Also banned were shifts which required women to start or leave work between 12.30 a.m. and 6 a.m.

A 40-hour week was decreed for all brewing industry employees; with 44-hour week for beer parlor employers in 10 specified areas: Edmonton, Calgary, Lethbridge, Medicine Hat, Drumheller, Pincher Creek, Blairmore, Bellevue, Coleman, Hillcrest.

Can't Happen Here—"O Canada, we stand on guard for thee" sang dancers as they wound up an evening's festivities in the Peace River district. Convicted of "creating a disturbance" by insisting on that song instead of "God Save the King," William Henry and H. M. Doreen were fined $10 and costs or two months in jail. Henry told the court he was "not a British subject, but a Canadian."

Body Blow, Co-ops Say—Federal budget proposals regarding co-operatives drew criticism from R. J. Boutillier, secretary-treasure of the Alberta Farmers' Union, and Elmer

(Continued on page 8)

IT'S GREAT if you know how...

PRODUCING rabbits from hats is a great trick. Folks love it and frankly we'd like to be able to do it too : : : only in our case, it would be "Cellophane" : : : in quantities to meet every demand of all our customers.

As it is, we can but do our best, making all we can in the face of continuing obstacles and then prorating it to give everyone as fair a break as possible.

Raw materials continue scarce: machinery delivery dates indefinite. However, daylight looms ahead : : : a fact that makes it logical for you to hold up new packaging developments, ready for the full-time return of "Cellophane" cellulose film, a dependable product and well-worth waiting for! Canadian Industries Limited, "Cellophane" Division, with offices in Montreal, Toronto, Winnipeg, and St. John's, Nfld.

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C-I-L CELLULOSE FILM

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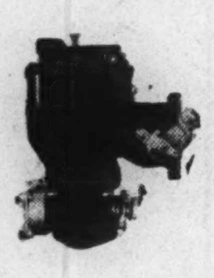
Wherever gasoline goes you'll find carburetors backed by Bendix Creative Engineering. And in every field these products of Bendix are dominant in performance and advanced design. If you build anything powered by gasoline talk to Bendix-Eclipse of Canada for the finest carburetors for every need.

STROMBERG

Stromberg* carburetors are standard on leading passenger cars, power boats and the world's finest planes — because Stromberg research has vastly extended the utility, reliability and performance of carburetion.



ZENITH

Trucks, farm implements, off-the-road vehicles—every field of heavy-duty carburetion relies largely on Zenith* carburetors—a position of leadership extending as well to marine carburetion.

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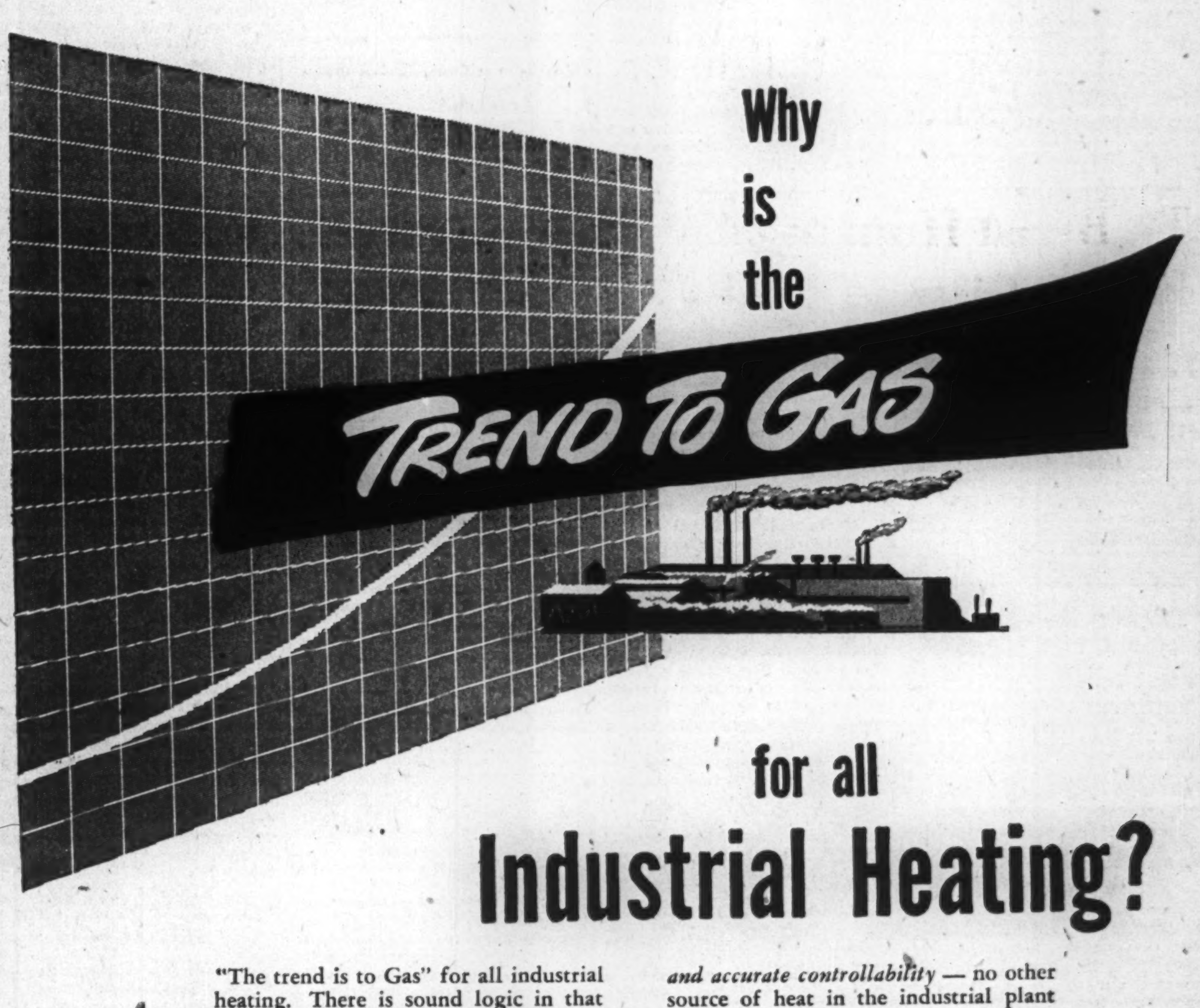

Why is the Trend to Gas for all Industrial Heating?

"The trend is to Gas" for all industrial heating. There is sound logic in that statement. For instance, in the last ten years the use of Gas in industrial and commercial establishments has more than doubled—a surge that was definitely apparent even before the war called on this most modern fuel to join the production line of countless war plants.

A few of the reasons why Gas is preferred in the modern plant include: *economy*—reducing production costs in both unit and overall expenses; *speed*—Gas quickly attains desired heat and maintains that temperature; *complete and accurate controllability* — no other source of heat in the industrial plant lends itself to such easy and precise modulation as does Gas.

Dependability — Gas is always there when you want it; *cleanliness* — Gas burns cleanly and its equipment is very easy to keep spotless; *improved working conditions*—men and women prefer Gas equipment because working conditions of a desirable nature are more readily attained.

More and more manufacturers are finding the *many* advantages of Gas and Gas equipment, the perfect answer for complete industrial applications!

The CONSUMERS' GAS COMPANY
INDUSTRIAL DEPARTMENT AD. 6941—124 RICHMOND STREET WEST

MONTREAL, July 15:

A. S. KEILLER APPOINTED TO NEW POST OF GENERAL AUDITOR OF SHERWIN-WILLIAMS AND SUBSIDIARY COMPANIES

A. S. Keiller, C.G.A., A.C.I.S., has been appointed to the newly created position of General Auditor of The Sherwin-Williams Co. of Canada Limited. This was recently announced by the Company's president, D. A. Whittaker.

Mr. Keiller, until recently executive assistant, has a long record of experience since he first joined the Company in 1922. He is a Member, Cost & Management Institute; Fellow, Royal Economic Society; Charter Member, Montreal Junior Board of Trade; and Member, Faculty Club, McGill University.

Mr. Keiller's duties will be to coordinate the financial accounting and recording systems of the Company and he will be responsible for the setting up of accounting procedure, office systems, planning, and the supervision of internal audits for this Company reporting to the president.

New Edmonton Industry Shares Offered to Public

The offering of a new issue of 80,000 no par value common shares of Northwest Industries, Edmonton, Alta. at $10 a share by W. C. Pitfield & Co. draws attention to a new Western Canadian industry started as a result of the war. It plans to manufacture airplanes, molded plywood boats and canoes, aluminum, magnesium and other castings and truck and bus bodies.

This firm was incorporated Oct. 8, 1943 by its president, W. Leigh Brintnell to solve the unemployment problem for his workers at Aircraft Repair Ltd., which is being wound up as a result of the end of the war. Mr. Brintnell is a pioneer in aviation in northern Canada.

Northwest Industries has acquired the machinery, tools and equipment and has made arrangements to acquire the plant used by Aircraft Repair. The latter firm held a contract for the overhaul of all aircraft of the British Commonwealth Air Training Plan in Alberta and the western portion of Saskatchewan.

Northwest Industries' business will be divided into four divisions according to the prospectus:

AIRCRAFT DIVISION—The company has the exclusive right to manufacture the Bellanca "Skyrocket" and larger "Aircruiser" in Canada and the agency for the sale in Canada of the Bellanca "Cruisair" for a five-year period with option to renew. Firm orders have already been accepted to manufacture 10 aircraft and further orders will be accepted as soon as manufacturing facilities are enlarged, it is stated. A substantial amount of equipment and repair work is being done for commercial airlines and for the RCAF and it is anticipated this business will increase with the growth of air transportation, the prospectus states.

BOAT AND CANOE DIVISION—A number of different models of molded plywood boats and canoes are being manufactured, including duck boats, skiffs and sectional, freight and pleasure canoes. Substantial business is in prospect for the balance of 1946 and throughout 1947, it is stated.

FOUNDRY AND MACHINE DIVISION—It operates a completely equipped foundry to make aluminum, magnesium and other castings for its own activities and for custom work. Custom work now on hand includes oversize aluminum pistons for standard makes of cars and trucks, strainers for dairy companies, aluminum fire hose nozzles and specialty castings for meat packing plants.

TRUCK AND BUS BODIES DIVISION — Production plans have been completed for a wide range of stake bodies for trucks, school and passenger bus bodies and freighting and refrigerator vans with production to commence shortly, it is stated.

Firm orders are on hand for the manufacture of 10 aircraft and 400 boats and canoes. Based on the sale of 50 aircraft, 400 boats and canoes and repair, foundry and body work, earnings are estimated by the management at $280,000 before income and excess profits taxes.

Proceeds of the 80,000 common shares being sold are to be applied on: (a) payment of $21,250 of the purchase price of the plant to be acquired from War Assets Corporation; (b) payment of $12,350 on account of the purchase price of equipment, machinery, tools and parts; (c) retirement of current liabilities of $625,783 and (d) for working capital.

Authorized capital will consist of 250,000 no par value common shares of which 108,000 will be issued. In addition to the shares offered, 20,000 fully-paid shares are being issued to Mr. Brintnell in return for certain rights and contracts as set forth. Mr. Brintnell has agreed to purchase a further 10,000 shares from W. C. Pitfield & Co. and the company has agreed to issue him an additional 5,000 fully paid shares if dividends totalling at least $1.20 a share are paid during the five years commencing June 5, 1946. A further 8,000 shares are being issued to W. C. Pitfield & Co. as part of their commission.

Directors will be:

W. Leigh Brintnell, president and general manager; Clarence D. Jacox; R. Victor MacCosham; and John Hunter, comptroller and sec.-treas.; all of Edmonton, Alta.; and Henry K. Hill, vice-pres., Montreal, Que.

ERIC CRADOCK

of Toronto, has been elected a member of the Montreal Stock Exchange and of the Montreal Curb Market.

Launch Freight Service By Air To Colombia

MONTREAL (Staff)—Taking off from Dorval Airport this week, a Douglas DC/3 inaugurated air freight service from Canada direct to Bogota, Colombia. Carrying a $20,000 payload the big plane was scheduled to make the trip in about 24 hours. Textiles, furs and drygoods made up the bulk of the load, and were wrapped in about 90 moistureproof bundles.

Handling this shipment is Lep Transport (Canada) Ltd., international freight forwarding company. Although the company also employs surface carriers Samuel Davis, managing director says that a policy is to ship as much merchandise by air as possible. Lep does not own its own planes but charters them when it rounds up a big enough load. Another air freight is likely to move out of Montreal about the middle of next month for Bogota, and in the meantime, Mr. Davis expects to run two or three intermediary freight flights from Canada to New York for trans-shipment to South America or elsewhere.

With Canadian Government and exporters driving after South American trade, Lep is likely to be able to run full planes going south but so far, homeward-bound cargoes have been light. The DC-3 which arrived at Dorval last Tuesday, carried two fishing rods which it had picked up en route from Bogota.

To Fly "Styled Merchandise"

Generally, it is with payloads such as this that air freight is likely to make its biggest inroads on surface carriers. Mr. Davis says that they like to fly "styled merchandise" or luxury goods. This is the type of commodity which can bear the added cost of air shipments. For example the 90 packages which left for Bogota this week contained nylons, dresses and art silks; items to which slightly higher transportation costs could mean little in the ultimate selling price. With such a payload, Davis says that the cost of air freight as a percentage of total value is not a great deal more than shipping rates.

Air freight also promises to save both importers and exporters money by reducing time of goods in transit. For example, on a $200,000 shipment from Canada to South Africa an exporter might save about a $1,000 dollars by using air freight to catch a certain boat in New York, saving interest on the value of the goods which might not arrive till a month later. Insurance rates on air freight are also said to be less.

At present, practically all air freight business is done by nonscheduled operators. Although the big regular airline companies are going after the air express business so far they have made few moves for the freight business. In many instances, however, air express rates are just about twice that of air freight. Whether the regular operators will fit out some air freighters and make their bid remains to be seen. But it is likely they will move in when they see enough business to make it worth their while. Lep expects to see a five-cent-a-pound air freight rate between here and New York before very long. At present on many of the air freight flights, such as the one to Bogota, the shipper has to pay for unused space as well as his own goods. With full loads plus competition rates should come down substantially.

Sales Show Good Gains For Gypsum

Year's Profit Expected to be "Distinctly Favorable"—May Expect Dividend

Sales and profits of Gypsum, Lime & Alabastine, Canada, for the first six months of the fiscal year ended May 31, 1946, are well ahead of last year, and "distinctly favorable" results are predicted when the full year's record is in, The Financial Post learns. Some financing is being considered.

Although no dividend has been paid since 1931 it is believed that shareholders may expect some return on their investment when refinancing is completed, providing progress now being made continues.

This year's business continues a consistent record of improvement over the past seven years, during which the company's financial position has been considerably strengthened.

Ten years ago Gypsum, Lime faced what was then considered a very uncertain and difficult future. To help help the company out, bondholders accepted interest payments from Sept. 1, 1933, to Sept. 1, 1943, in Canadian funds instead of U. S. currency or sterling as provided in the contract. But from Nov. 30, 1939, to Nov. 30, 1945, Gypsum, Lime & Alabastine has reduced its funded debt 37.8% from $3,538,500 to $2,182,000; increased its working capital 45% to $1,242,184 (in spite of spending about $650,000 on rebuilding its New Westminster plant) and has increased depreciation and depletion reserve 2¾ times or from $913,835 to $2,509,513.

Currently plants are unable to supply the domestic demand for the company's products, The Post is told. As a result there is little export business.

The plant at Caledonia, Ont., is now operating at full capacity with three shifts through the help of high school students. The new unit to produce rock wool insulation was completed about two months ago and has about tripled capacity in this line.

Labor troubles have been settled at the New Westminster, B.C., plant and it is running on two shifts. Not enough gypsum is available from the company's Falkland, B.C., deposits, due to shortage of manpower, to run three shifts.

Questions have been raised regarding the redemption of the 5½% bonds and the status of the sinking fund. The bonds are payable at the holder's option in Canadian currency, U. S. currency or sterling and are now callable 100½%. The Post is told. While technically the sinking fund is in default, as noted on the balance sheet, the company has purchased and is holding bonds approximately equalling sinking fund requirements, it is stated.

Toronto Hydro Plans To Aid In St. Lighting

The sum of $800,000 was set aside from 1945 net income of Toronto Hydro-Electric System to be applied to renovation of the city's street lighting system, the 35th annual report covering 1945 reveals. This will be used to avoid charges for interest and sinking fund in the increased capital cost of the new equipment.

Marked improvement in illumination of streets, resulting from higher wattage lamps in new fixtures, mounted high and well over the roadways, encouraged the Toronto city council to recommend extension of this type of lighting to the city as a whole, the report says, but the increased annual cost involved acted as a deterent. This increased cost is caused by the increased wattage and spacing, and the added carrying charges on capital cost of the new fixtures and brackets. The cost of increased consumption is justifiably chargeable to the city but it was decided some moderation of carrying charges be made by use of surplus.

Gross increase for 1945 operations amounted to $14,255,611 ($13,599,961 in 1944). Cost of electric current and expenses of operation and management amounted to $10,748,456 ($9,950,071). Net income was $1,186,635 ($1,135,692) of which $800,000 was applied as above and the balance of $386,635 carried to reserve for stabilization of rates.

Electrical energy sales increased 6.6% to 1,461,114,646 kw.h. (1,371,645,482 kw.h.) Electrical energy purchased from the Hydro-Electric Power Commission of Ontario during 1945 cost $7,973,627 or 55.9% of gross income ($7,308,446 or 53.7%) Net cost of power was equal to $20.56 per h.p. due to rebate which reduced the governing rate of $21.50 per h.p.

A permanent reduction in rates to consumers of 25-cycle power was made effective Feb. 1, 1945. The annual saving to consumers, based on 1945 consumption, is estimated at about $1,582,000.

CANADIAN PACIFIC RAILWAY gross earnings for the week ended July 14 continued to run behind the corresponding 1945 period. At $5.3 millions they were $1,248,000 or 19% below last year. Cumulative gross earnings for the year ended July 14 were $150,019,000, a decrease of $17,505,000 or 10.4% from the corresponding 1945 period.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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TRUST & EXECUTOR & Mortgage Loans, etc. An opening for either active or consultant manager, must have full knowledge and experience. Locale not Metropolitan but change of residence not essential. Reply in confidence to Box 34, The Financial Post, Toronto.

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18 YEARS' experience in Canada and foreign countries. In personnel and sales management. Desirous of becoming associated with reliable manufacturer. Excellent references. Please write Box 6, The Financial Post, Toronto.

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EXCLUSIVE PROVINCIAL selling agency available for new lines of Aluminium products, fishing equipment, furniture, etc. Big sellers in United States. First time offered in Canada. These rights given to agencies prepared to guarantee purchase of a yearly minimum quota. Box 30, The Financial Post, Toronto.

Attention Manufacturers!

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Apply xyz, c/o The Financial Post, Toronto, Ont.

Special Notice to Holders of French Securities in Canada

Holders of French securities payable to bearer are hereby informed that according to the French law, the shares of various French corporations, must on or before the 31st day of October, 1946, be either registered or deposited with the "Caisse Centrale des dépôts et des virements de titres" in Paris, through a bank or a financial house approved by the Caisse.

The shares must be transferred in France through a bank authorized by the French Ministry of Finance. A certificate of ownership must accompany the shares.

The Securities Departments of the Head Offices of the chartered banks of Canada or the Commercial Counsellor of the French Embassy, 464 Wilbrod Street, Ottawa, will supply on request, available information:

Holders not conforming to this law may be subject to various penalties.

By order of the Minister of Finance of the Republic of France.

B. LECHARTIER,

Commercial Counsellor and Acting Financial Attaché to the French Embassy, Ottawa.

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Construction Trends — By CLIVE CHATTOE

Strikes Threaten Supply Of Vital Housing—Howe

Mr. Howe, in his housing review in the Commons this week, emphasized the impact of strikes—in lumber, brass, steel, cast iron and electrical equipment—on the already precarious outlook for building supplies. Reporting modest increases in five months in production of key materials, he warned that the upward trend might fail if strikes continued and that the housing program might encounter yet more serious setbacks.

But, apart from labor troubles, the Reconstruction Minister's report of building supply output was encouraging. And though he did not see fit to disclose just what steps Ottawa had been taking to speed the process, he did disclose some heartening production figures and acknowledged the help of the Canadian Construction Association's advisory committee on materials headed by Robert Drummond, Toronto, and the co-operation of the building materials industry itself.

And he defined thus Ottawa's new program to increase building supply stocks:

1. Maximum reclamation of materials in temporary government-owned buildings.
2. "Encouragement" for importers of essential materials not obtainable in Canada (no definition of "encouragement").
3. New efforts through priorities, etc., to obtain best strategic use of materials in housing and in the industrial and commercial structures needed to assure a high level of employment and income.

Here are highlights from the Howe box-score on building materials:

Cement, Cement Products — Output highest since 1931. Cement in January 59% more than Jan., 1945, with annual volume rate by May at 10 million barrels. Blocks, drain, sewer and water pipe and culvert tile also up.

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Clay Brick, Tile, Pipe Linings—January building brick output up 73% from Jan., 1945, April up 100% over Jan., 1945, May 50% over April (seasonal). Vitrified sewer pipe and flue linings disappoint; negotiations afoot to speed resumption in one plant and extensive relief expected.

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Sand-lime Brick—May output slightly above April, 100% over 1945 monthly average.

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Rock Wool Products—Decline in batts in May hoped temporary. Production keeping pace with shipments but no stockpile. Same applies to granulated rock wool, bulk or loose wool, industrial wool.

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Gypsum Products—Maintaining or exceeding wartime output. Wallboard output in March reached annual volume rate equal to previous peak; May 12½% over March. Gypsum lath output parallels shipments but no stockpile. Gypsum plaster output at 1946 rate 100% above 1944 average, previous peak.

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Asphalt Products—Monthly production rate of asphalt shingles in May exceeded 1945 monthly average by 70%. Steady increases in smooth and mineral surfaced rolls: tar and asphalt sheathings constant.

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Iron and Steel—Nails in desperately short supply; all stocks frozen with substantial diversion into low-cost priority housing; steel strike aggravating already critical situation; government unprepared to report on "bootleg" exports; production now 10-15% above 1945 monthly average. Galvanized sheets, steel pipes, tubes, fittings substantially higher, cast iron soil pipe slightly above 1945 average and expected to rise sharply now with early implementation of (undescribed) CCA proposals.

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Sheet steel production maintained but limited to one mill each on hot- and cold-rolled, latter product going mostly to food canning; warehouses denuded of black and galvanized sheet. May output of steel pipes, tubes, fittings declined after doubling in April over March. March and April output of wrought iron pipes, tubes, fittings declined after 30% gain in February over January.

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Sanitary Ware—Stocks low, shipments closely following production. Bathtub output constant but Ottawa taking action (undescribed) to increase supply of tubs, sinks, washbasins, toilets and substantial increase expected in 1947 with "expansion of facilities" and equipment (undescribed); "action already taken to boost 1946 estimated output 50% and an additional supply factor offers added possibility of substantial increase in such percentage gain."

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Plumbing and Heating—Lead pipe output (for water service) in March 600% above January and gain maintained. Copper tubing output steadily up in first four months but off now due to Anaconda strike. Warm air furnaces maintaining average yearly rate 44,500 units or 73% above 1944. Domestic hot water and steam heating boilers equalling all-time highs. Cast iron radiation, range boilers and tank heaters now 30% above 1944 average monthly output, with production still increasing.

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Electric Supplies—Wire scarcity (nonmetallic sheathed cable) caused by cotton yarn shortage; diversion of yarn from other electric wire has resulted in 100% increase in May over April in one main size in which production had lagged; but copper-brass and textile strikes dampen hope of substantial early further relief. Rubber-coated double-braided wire output up 77% in second quarter. Rigid galvanized steel conduit short because of dependence on U. S. supplies for steel pipe; some substitutions may be necessary and source of alternative supply being investigated. Output of switches, panels, receptacles shows month by month increase.

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Window Glass—Canada "with one exception" dependent on imports. Imports per month currently about 2.5 million sq. ft., rose to 3.5 million ft. in April, fell in May. "Every effort" being made to increase imports from U. K. and U. S. and to bring forward glass from Europe, particularly Belgium; "appreciable" quantities scheduled from Belgium in July, August.

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Paint, Varnish, Lacquer—Production and shipment "normal"; dollar value of output up 50% over comparable 1945 period; can cope with current demand.

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Builders' Hardware—Canadian capacity sufficient, survey replies suggest and CCA committee recommends against expansion stimulants. But "certain factors" limiting production being investigated.

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Lumber—Sawn lumber output in April 263 million feet, 13% below March; another decline in May was less sharp. Net effect of strike loss in B. C. in terms of 1946 Canadian output still remains to be judged. Output of wood fibre rigid insulating board in line with demand; May 23% over April. Panel board output in May 30% over April. Plaster base board "definitely higher" in May over April. Roof boards, other rigid boards "follow the same design in increased production."

Plan Cub Aircraft Financing To Expand Plant Facilities

A plan for financing a $400,000 expansion of production facilities and operations of Cub Aircraft Corp., Hamilton, Ont., is expected to be sent to shareholders by early next week, The Financial Post is told. Details of the financing are now in process of being cleared through the Securities & Exchange Commission in the United States.

The new facilities will be for the production of the Piper Cub Super Cruisers which are expected to sell around $3,900. Pending the necessary plant expansion and tooling for larger models, the company has placed orders for 200 Super Cruisers with the Piper Aircraft Corp., Lock Haven, Pa.

Difficulties in getting these planes from the United States due to the great demand there were one reason for the company deciding to establish in Canada a plant sufficiently equipped not only to meet local demands but to enter actively into the export market, President R. L. Gibson has stated. (The Super Cruiser is a three-place aircraft, which will be available on floats and skis as well as wheels. With a cruising speed of 110 m.p.h. and range of 600 miles the model is said particularly adaptable to private charter services.)

Currently production of Piper Cub Specials is running at one plane a day. The demand from the coast-to-coast dealer organization is much greater than was anticipated and orders on hand are sufficient to insure maximum production at least another year, The Post is told.

Plans have been completed for the erection of a new building necessitated by the fire which destroyed the company's paint shop on April 25. This will be proceeded with as soon as materials are available.

Eddy—a famous name in paper products

Eddy Paper Company Limited owns and controls The E. B. Eddy Company which operates a well-diversified paper business with plants at Hull, Quebec and Ottawa, Ontario, producing specialty and hanging papers, tissue products, paper bags, newsprint and paperboard. These products are distributed throughout Canada, the United States and overseas markets.

Earnings of The E. B. Eddy Company available for dividends on the shares of Eddy Paper Company Limited have averaged over $390,000 for the past seven years. Dividends on these presently offered shares will be $200,000 per annum. They are convertible, share for share, into Common Shares of the Company.

We offer as principals—

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Cumulative Convertible Non-Callable Class A Shares

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Bell Telephone Is Expanding Rural Service

Plans to Spend $10 Millions Over 4 Years to Add 33,000 Rural Phones

Thirty-three thousand more rural telephones in the next four years is the objective of a $10 millions rural development program of the Bell Telephone Co., a company official states. Of these, about 22,000 will be in Ontario and 11,000 in Quebec.

Despite continuing shortages of materials, 6,500 rural telephones have been added in the first five months of this year, as compared with 5,400 for the whole of 1945. Objective for 1946 is the addition of over 12,000 new rural connections.

In the next three to five years, Bell Telephone hopes to be serving 55% of the rural families in its territory in Ontario and Quebec. About 40% of the rural families in the territory served by the company are represented in the 72,400 rural installations operating today.

In spite of the fact that 84% of permanent rural residents in the area served by the company are on roads already served by telephone lines, the program will involve erection of thousands of miles of new poles and wire, an official states.

In order to give service immediately to as many waiting applicants as possible, telephones are being installed at some exchanges beyond the usual capacity of lines and equipment by "doubling up" on party lines.

Rural opinion has been sought by means of questionnaires to find out just what service both subscribers and non-subscribers prefer. As soon as the number of waiting applicants can be reduced, many improvements suggested by these surveys will be introduced, the company official states. Out of some 3,000 replies received from telephone users about 72% considered the telephone a necessity, 88% have never considered doing without it and 89% say the value of the service is increasing or is as great as ever, it is stated.

Reduction of the number of parties on a line is one of the major objectives of the company's present rural development program since that was the chief subscribers' complaint, the survey showed. The survey showed 71% objected to others "listening in," not only because of a desire for privacy, but also because it cuts down transmission.

A similar questionnaire has just been sent out to rural residents who do not have telephones at present, it is stated. Comments are being sought from residents in 22 representative communities throughout two provinces in an illustrated booklet entitled "What Does Your Family Think About Telephone Service?" The booklet invites impressions regarding the service, its cost, and the company itself. It also requests information on various other details of rural life.

B. A. Oil Sells New Bond Issue

A new issue of $20 millions 2¼% and 2⅞% serial debentures of British American Oil Co. is being offered by A. E. Ames & Co. Proceeds are to redeem all the presently outstanding $13.2 millions debentures due Sept. 15, 1946 to June 1, 1955 inclusive, called for redemption on Sept. 3, 1946, and the balance for other corporate purposes.

The balance, some $6 millions, will be for the company's expansion program, The Financial Post understands. This will include modernizing and enlarging the refineries and expanding the marketing facilities.

The issue consists of $8 millions 2¼% debentures due Sept. 1, 1947-56 ($800,000 a year), offered at par, and $12 millions 2⅞% debentures due Sept. 1, 1957-66 ($1.2 million a year), offered to yield 2.80%.

NARECO GOLD MINES reports that diamond drill No. 1, located approximately 600 ft. north of the Colomac-Nareco boundary, has returned 40 ft. of core averaging $3.67 a ton. A 5-ft. section averaged $16.80. On the company's south-west group, a zone 1,250 ft. long carrying gold values has been revealed and the drill will be moved to this zone as quickly as possible. Four pits have each returned gold values on grab sampling, it is stated.

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- ☐ Are you holding securities which have been called for redemption or which should be exchanged for other reasons?
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INVESTMENTS THIS WEEK

Some Stock Groups Show Good Market Resistance

Stock prices at the end of last week had fallen nearly the same distance in the current recession as in their February-March drop (as measured by the D.B.S. Index of 100 common stocks). In the accompanying table The Financial Post compares the action of the stock groups in these two market declines, as an indication of which groups show the best market action.

Three groups—milling, beverages and banks—were still higher than at May 30, 1946, while four others, —oils, textiles, food and power and traction—have fallen less than the average. Bank stocks have held up well in both drops, reflecting expectation of increased earnings this year. The action of the beverage group in the current drop differed sharply from that of the earlier drop, reflecting the strength in Distillers-Seagrams common. Oil stocks never fully recovered from their earlier drop, a fact that probably eased the current drop.

Another group showing a sharply divergent trend in the two drops is the machinery and equipment stocks. They did not drop in the Feb.-Mar. general market decline but now show the largest drop, no doubt reflecting the fear of the effect on their earnings of the current steel strike.

The extremely volatile pulp and paper group of stocks show a greater-than-average drop for both declines. Currently disappointment in the size of the price increase for newsprint is thought to be a major factor in the stock drop.

These figures confirm the reports of selectivity in buying although there is undoubtedly further selectivity as between the individual stocks in the various groups. The real opportunities for profit as well as the risk involved lie in much higher than expected earnings for some companies and substantially poorer than anticipated results for others. The above figures only show which groups of companies have shown the greatest resistance to the last two market declines.

D. B. S. PRICE INDEXES

	Jan. 31, 1946	Mar. 14, 1946	Feb.-Mar., Drop %	May 30, 1946	July 18, 1946	Recent Drop %
Machinery and equipment	171.1	180.6	*5.6	210.1	191.3	8.9
Pulp and paper	254.2	235.9	7.2	287.9	263.6	8.4
Milling	131.8	128.4	2.6	137.4	142.3	*3.6
Oils	88.0	80.0	9.1	74.6	72.1	3.4
Textiles and clothing	187.0	182.9	2.2	212.9	205.6	3.4
Food, etc.	132.0	127.5	3.4	137.9	134.0	2.8
Beverages	361.9	319.2	11.8	422.6	431.4	*2.1
Building materials	152.8	143.1	6.3	168.5	157.0	6.8
Utilities	148.6	138.8	6.6	140.6	131.3	6.6
Power and traction	125.3	119.4	4.7	112.5	108.1	3.9
Banks	126.1	129.1	*2.4	134.3	135.9	*1.2
All stocks	124.6	116.2	6.7	126.1	118.6	6.0

*Increase.

• • •

Say Change in Bullish Trend A Factor in Selling Wave

Canadian stock markets had another severe setback this week just after settling down following their sharp reaction to dollar revaluation. Leadership was supplied by the N. Y. market which broke sharply on Tuesday with the Dow-Jones industrials average breaking well through its critical point of 200.65.

Breaking of the May lows by both the Dow-Jones industrial and rail averages indicated that the downtrend might continue until the February lows of 186.02 and 60.53 were tested .Once these are broken, the Dow-Jones interpretation is that the intermediate trend, still upward, would be changed.) This is thought to have been one cause of increased selling and to have contributed to the sharpness of Tuesday's drop.

In addition, stock markets have been "thin" and lacked usual support with many traders on holidays and institutional buying largely absent for the same reason.

There is belief in some quarters that, even if the market does go lower in the immediate future, higher prices are still in prospect. It is hard to become very bearish with heavy shortages of goods pointing eventually to high production volume, they say. Over the longer term, the high level of demand is expected to be reflected in earnings once labor difficulties are overcome. At least some advisory services are looking at the present drop as an opportunity for further accumulation.

Future buying, however, is expected to be very cautious and selective.

• • •

Strength in Fleet Aircraft Comes From Vincent Deal

The reason for the rapid 50% jump in Fleet Aircraft Ltd. common from $5-5/8 a share to $9 a share in a week was disclosed with news that Norman Vincent and his associates had been purchasing the stock and would make shareholders an offer (See story page 13). Volume was heavy with turnover exceeding one fifth of the 190,289 issued shares in the week.

Reflecting the fact that the deal is conditional on obtaining control, the stock sold off in last Tuesday's bear market to $7½-¼ as compared with $9 offer. Letters outlining the deal are expected to be sent Fleet shareholders this week.

• • •

See Good Public Relations In Montreal Loco Letter

Each new shareholder of Montreal Locomotive Works, whose stock was offered to the public for the first time in April, 1946, received a note of welcome from Chairman of the Board D. W. Fraser who stated, "We hope that you will take an active interest in the affairs of the company and if from time to time you have suggestions which you think would be helpful to the management, I should be pleased to hear from you. We will periodically send you reports which will keep you up to date."

This is good public relations and was reported favorably received by stockholders. The addition of another Canadian company to the few who send out periodical reports is also welcomed by investors generally.

$64.5 Millions Bonds Are Sold by Gatineau

MONTREAL, (Staff) — Books were closed this week on the $64.5 millions Gatineau Power Co. issue of first mortgage refunding bonds and debentures. The Canadian pay issue consisting of $10 millions 3¼% Series D first mortgage bonds due 1970 was sold to the public at 104.50 and accrued interest by a syndicate headed up by Dominion Securities Corp. The U. S. pay issue, comprising $45 millions of 3% Series C first mortgage bonds due 1970 and $9.5 millions of 3¾% sinking fund debentures due 1961 were sold to the public at 104.37% and 101.23% respectively by an underwriting group headed by First Boston Corp.

Expect Statement Next Week On Montreal Refunding Terms

MONTREAL (Staff)—Plans on when, where and how the City of Montreal will handle the refunding of its outstanding $203 million debt are now nearing completion and a formal announcement will be made following the July 30 meeting of the city's executive committee, J. O. Asselin, city council chairman, advised The Financial Post.

Earlier this week it was thought that a definite announcement would be made during this week, although Mr. Asselin was not prepared to divulge the plans at this time, it is understood they will follow these general lines.

U. S. pay debt.

Out of a total Montreal debt of $80.8 millions payable only or optionally in the U. S., some $50 millions will be refunded in New York before the end of August. This would leave about $30.2 millions to be handled in a manner to be decided at a later date.

Canadian pay issue.

Of the remaining $120 millions of Montreal debt, about $60 millions will be refunded in the Canadian market sometime after the middle of September, leaving $60 millions to be taken care of at a later date. Proceeds from the September financing will be used to redeem all of the Canada and sterling pay option debt; all of the Canada and guilder pay option debt, and part of the Canada pay only and sterling pay only debt.

Both issues will be sold on a competitive bid basis, The Post is informed. The bonds are callable only on an interest date and 60 days' notice and as the next interest date is Nov. 1, need for quick action is recognized by city officials.

Here is how the city debts stand at the present time and with amounts and currency of payment:

	millions $
Canada only	63.9
Canada and sterling option	15.7
Sterling only	38.4
Canada and dutch guilders option	4.0
U. S. only	0.7
Canada and U. S. option	75.4
Canada, New York and London	4.7
Total	202.8

SYDNEY G. DOBSON

President of the Royal Bank of Canada, has been appointed vice-president of the Montreal Trust Co.

New Steel Co. Subsidiary of British Firm

MONTREAL (Staff)—In the midst of Canada's steel strike, announcement is made here of a new steel-distributing company. Thos. Firth & John Brown Ltd., formerly a branch of a Sheffield, Eng., company, has now incorporated in Canada under the name of Firth Brown Steels Ltd. For the present the new company will consolidate and expand its services to Canadian steel users, it is stated.

Firth Brown Steels Ltd., like its predecessor, will handle raw material in the form of steel bars, plates, etc. Prior to the war Thos. Firth & John Brown Co. distributed English steel and steel products only, but subsequently handled American steels as well when English production was funnelled entirely to war output. Among the associated companies of Firth Brown Steels in England are John Brown & Co., shipbuilders of "Queen" (Mary and Elizabeth) fame, the Atlas Works at Sheffield, Firth-Vickers Stainless Steels Ltd., and the Staybrite Works.

Just what form the company's expansion program might take has not been stated by company officials. However, with Canadian steel production now at a standstill the demand for the company's products is likely to show a substantial increase. Active head of the company in Canada is J. H. Cooney, president, with E. Mensforth, C.B.E., of England, chairman of the board.

Cotton Output Lower in June

MONTREAL (Staff)—A falling-off in production due to strikes in some of Canada's textile mills is indicated by June figures for cotton bale openings. According to the Cotton Institute of Canada, openings for the month totalled 23,480 bales (bale is 500 pounds), a drop of 10,984 from May, to the lowest figure since the start of the war.

Although bale openings this year are up 0.8% over 1945, the big drop in June put in concrete form what was already evident—that cotton textile production this year is falling behind its early year spurt. The index number for the month was 93.5 (1935-39 equals 100), a drop of 41.5 points or 30.5% from the previous month. This is probably a better indicator of the over-all cotton textile situation, since index figures cover imports of cotton yarn as well as raw cotton. Following is a table showing index figures for 1945 and the first six months of 1946 (1935-39 equals 100):

	1946	1945
Jan.	131.6	122.1
Feb.	133.1	123.1
Mar.	137.9	140.4
Apr.	128.7	122.7
May	134.6	125.1
June	93.5	119.4
July	....	99.0
Aug.	....	117.2
Sept.	....	114.4
Oct.	....	133.4
Nov.	....	125.0
Dec.	....	112.8
		112.9

Jos. E. Seagram Sells Debentures

MONTREAL (Staff)—Joseph E. Seagram & Son, Inc., wholly owned subsidiary of Distillers Corporation-Seagram Ltd., sold, last week, $50 millions of 20-year 2½% debentures, due June 1, 1966, to 81 U. S. underwriters headed by Harriman, Ripley & Co. The debentures, guaranteed as to principal and interest by Distillers Corporation-Seagram Ltd. were reoffered to the public at 99½ and accrued interest. Net proceeds from this offering will be used to retire $50 millions of 20-year 3¼% debentures due May 1, 1965, at $105 plus accrued interest.

Immediately after delivery of the new debentures, the company will give holders of the old debentures the privilege of presenting their debentures for prepayment at the full redemption price together with accrued interest. Consolidated capitalization of Distillers Corporation-Seagrams Ltd., after the present financing, will consist of the 2½% debentures, $12,634,700 of 5% preferred stock, par value $100 and 1,753,870 shares of common stock, no par value.

NYCO YELLOWKNIFE GOLD MINES has appointed Irving Wilson and Harvey H. Singer as field engineers to assist in development of the MGB group of claims in Yellowknife area N.W.T.

Cunard Forms Canadian Co. Hopes For More Passengers

MONTREAL (Staff) — Keeping company with half a dozen other shipping companies which have taken out Canadian charters this year, Cunard White Star Line expects to complete incorporation of its Canadian company within six weeks or two months. Decision of the company to incorporate here was announced last month by Sir Percy Bates, chairman of the board. Proposed name of the new company is Cunard Donaldson Ltd. It is thought that T. C. Lockwood, general manager of Cunard White Star in Canada, will take over the presidency of the new company.

"I feel in an optimistic mood about Canadian prospects, but my Cunard stockholders will remember that in the last quarter of a century we made little real money in the Canadian passenger business," Sir Percy said. In view of this, it appears that the company is betting on its chances of sharing in a hoped-for increase in Canadian passenger and freight business. Officially Mr. Lockwood informs The Financial Post that Cunard is incorporating in Canada to identify itself more closely with Canadian business.

Transatlantic passenger business dropped off greatly after the Canadian Government raised its immigration barriers. Should the Government again broaden its immigration policy, it is likely that passenger ships will be kept busy transporting European immigrants to Canada. In any case, shipping companies feel that the passenger business will experience something of a boom for a couple of years at least.

In making his statement regarding the new company Sir Percy added that the company was upping its rates, with fares on the Queen Mary likely to be about $360 when it starts running this fall. This rate would put luxury liner passage about on a par with the airlines. General Manager Lockwood thinks that the increased fare will not seriously affect the competitive position of passenger liners with the airlines. An increase in fares appears to be indicated since company officials state that operating costs are way up—coal 100% or more; labor 50% to 60%; stevedoring, checking, watching also have climbed over pre-war.

Besides passenger business, however, the new company will also be actively engaged in ocean freight operations. In taking over all the Canadian assets of Cunard Line, Cunard White Star Line and the Donaldson Line it is likely that the company will carry on as general agents for International Freighting Corp., two Dutch Lines, and the Blue Funnel Line, all of which are now handled by Cunard. These companies operate ships on such busy routes as Halifax-Liverpool; Montreal-Saint John-Glasgow; and the Canada Java Straits Line, also operated by Cunard, runs ships from Montreal to the Orient.

Can. Breweries Ltd. Is Constructing New Malt Plant

Construction of a new $2 millions malt plant which will increase production by 1½ million bushels has been begun by Canadian Breweries Ltd., T. G. Ferguson, vice-president of engineering, announced. It is expected to be completed by Dec., 1947 and will employ about 80 people when it is operating.

The project will be erected adjacent to and administered by Victory Mills Ltd., (a wholly owned subsidiary) on Toronto's lakefront. Buildings will be of reinforced concrete and will include a one million bushel grain storage elevator, workhouse, track shed, kiln building, malt building, factory office building, and scale and gate house. In addition the project provides for a two-story shipping room and a four-story mill house for Victory Mills.

Earnings Jump For Seiberling

Sale of 18,685 authorized but unissued shares of Seiberling Rubber Co. of Canada to the parent company, Seiberling Rubber Co. of Akron, Ohio, at $15 a share is revealed by a prospectus covering a new bond issue. Price was $15 a share—50% above the $10 quoted bid price for Seiberling of Canada's common at the date of the agreement, May 19, 1946. The unlisted market still quotes the stock at $12 bid.

A net profit of $62,766 for Seiberling Rubber Co. of Canada for the five months ending May 31, 1946, is also revealed by the prospectus. This is equivalent to $1.25 a share on the 50,000 common shares to be outstanding and is 51.8% above the net profit of $41,366 for the 14 months ended Dec. 31, 1945. In June, 1946, the company's employees went out on strike. Loss of profits cannot be ascertained but the five month's earnings figure is after deducting $100,000 provision for possible future expenses and losses, it is stated.

A large drop in depreciation provision is shown—from $196,620 for the 14 months to Dec. 31, 1945, to $28,154 for the five months to May 31, 1946. However all special depreciation permitted by the War Contracts Depreciation Board has been absorbed. A large reduction in depreciation charges for future years was anticipated in the last annual report.

The prospectus covers a new issue of $700,000 first mortgage bonds which are being offered by Bankers Bond Corp. Issue consists of $130,000 3¼% serials due July 15, 1947 to 1951, $155,000 3¾% serials due July 15, 1952 to 1956, and $400,000 4% bonds due July 15, 1966. The serial bonds have been sold privately and the 4's are offered at $102.50 to yield 3.82%.

Proceeds of the bond issue and of the shares are to retire the outstanding $80,000 3½% serial bonds, $400,000 5% bonds due 1959 and $493,480 indebtedness to the parent company. Maximum interest charge on the new issue will be $26,638 as compared with $52,607 paid in 14 months ending Dec. 31, 1945.

Pro forma balance sheet at May 31, 1946, shows working capital of $956,213 ($901,901 at Dec. 31, 1945). Earned surplus is $312,100 ($277,139).

Riverside Silk Control Changed

A change in control of Riverside Silk Mills Ltd., Galt, Ont., is indicated by the announcement of a new board of directors and management. New directors are Leslie A. Dunbar, president and general manager; Carl M. Dare, treasurer, both of Kitchener, Ont.; Hamilton J. Stuart, K.C., vice-president, Toronto; and H. P. Wright, secretary, Hamilton.

The McCormicks having sold their interest have retired with the exception of D. W. McCormick who remains in a consultive capacity, The Financial Post is told.

The new management are now formulating plans for development and an announcement will be made at a later date.

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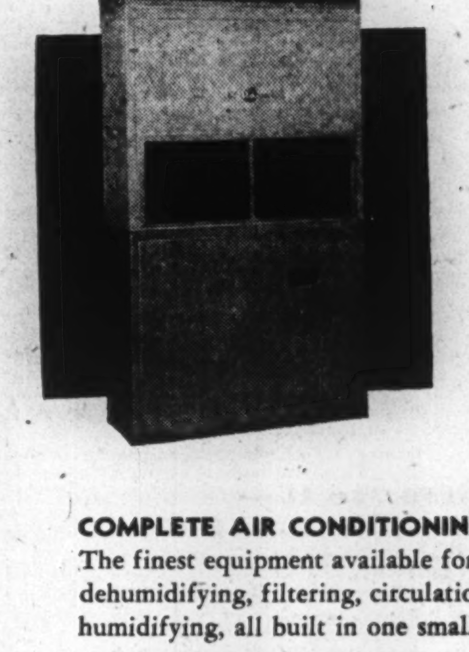

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How About Some Incentive?

It's unfortunate that the recent budget did so little to encourage people to work.

This is the tragic situation which exists: Never before was there so much work to get done and never before was there less willingness to do it. We sit in a sea of shortages and yet millions of hours are lost in agitations about working conditions, in strikes and just plain lack of willingness to work.

Because of the lack of production, prices are climbing—and our incomes are being reduced—, yet the people who have most to lose from this inflation, the people who have most to gain by fighting back with a torrent of production, are being encouraged to "take things easy."

By whom? Their leaders and would-be leaders for one; secondly, by income taxes.

"Why work overtime, why take on that extra job? Income tax doesn't make it worth while." Everybody has heard that a thousand times and has probably said it himself more than once.

Have you, Mr. Ilsley, recently given any consideration to exempting overtime pay from income tax?

Inflationary, you say? A much better case, we think, can be made for the opposite view that the deflationary results of increased production will far outweigh the inflationary impulse; that getting production, swiftly and torrentially, is in fact our only hope of avoiding the disaster you have so long been fighting.

If you were to exempt overtime pay from income tax, you would break through ten thousand bottlenecks now cursing every kind of industry and the whole Canadian public. You would immediately provide a mighty boost to worker morale. You would be surprised at the good results.

Think it over Mr. Ilsley. Talk it over with some people who know intimately today's situation in business and industry. We say bluntly, we don't think you have the slightest appreciation of the extent to which your income tax schemes, plus wage and salary ceilings, have taken the zeal out of workers, whether they are at machines or desks. There was general acceptance of your policies as necessary for wartime. But it is becoming increasingly evident that the medicine for wartime is not the right medicine for convalescence from war.

Let's Get Some Action

Months ago a Canadian firm applied to a regional war labor board for permission to adjust wages. The plea was refused. An appeal was made and after more weeks of delay it was finally heard about a month ago. The firm understands a decision was quickly made, but it is without word as to what the decision was. It is told that the board is short of stenographers; that the stenos are still trying to catch up with decisions which the board made in May.

This is a fantastic and absurd situation. The employer in this case has been trying for months to get permission to adjust wages. His workers are becoming increasingly sceptical over the delay.

So a large plant teeters on the verge of work stoppage because a couple of stenographers are months behind with their work. There are scores of firms in the same position, with employers wondering what the outcome will be and employees restless and impatient to the point that efficiency is seriously impaired—all because the administrative end of the labor board seems to have bogged down.

This is intolerable. There are enough things disturbing and holding up production these days without letting this be one of them.

Our Communists Deplore

The Labor-Progressive Party has issued an official statement to the press, regarding the Royal Commission report on espionage. The L.P.P. declares the party "takes no political orders from either Ottawa, Washington, London or Moscow." The statement goes on to declare that the Royal Commission "has undertaken to judge out of hand and to convict the Labor-Progressive party of complicity in espionage activity." It calls the Commission report "a shameless political frame-up engineered by the King government and directed against the party which is playing a leading part in the defense of the working people against the government's policies of price-raising, low wages, ditching of social security promises and cold-blooded neglect of housing and health needs."

This further claim of the statement is interesting. "The program, policies and political decisions are hammered out in democratic conventions by LPP leaders and members."

Well, well! And doesn't that make it all the more remarkable that these decisions and policies always keep right up to date, and in perfect alignment with the swiftly shifting Communist policies in Moscow and elsewhere.

This LPP ukase reminds us of a paragraph in one of the holy books of communism. The author was Preobrazhenski, a close personal friend of Lenin. The book is entitled, The ABC of Communism. It says:

"The worker's state finds lying very necessary and useful in its foreign policy. Therefore the attitude of . . . . the Communist party to the open recognition of the right to lie is quite different" . . .

We can imagine how embarrassed the LPP's must be these days but some readers of their statement will be excused if they don't take some of the claims very seriously.

We Bore Him

Professor C. E. M. Joad is a bearded British philosopher who in recent years has been building himself a very considerable auxiliary reputation as sage and wit on the BBC. Which of these roles he was playing when he wrote a recent piece in the Sunday Dispatch we don't know, but he said:

"For the best part of a century we sent to the Dominions our failures and our ne'er-do-wells. 'Oh, he is a fool, is he?' 'Oh, he drinks, does he?' 'Right, then let us send him out to one of the Dominions . . .'

"No consideration on earth would induce me voluntarily to leave England. For my part I would sooner be poor here than rich in the Dominions any day. This, of course, is partly because I find the conversation of almost all people from the Dominions boring and their company tedious. They seem to me to be like ungrown-up children. I don't mean they are not as nice as we are. I dare say they are often nicer, but they have no knowledge of books and music and they have no facility for the handling of ideas which means that they have no conversation. In a word their interests are limited by the practical and their aspirations by the utilitarian."

Thanks, professor. We found this, coming from a prominent Englishman like yourself, so interesting—particularly the generalization about our ancestors—that we didn't want our readers to miss it.

Forty Miles From Town

It might have been 40 miles northwest of any city in Canada, this tiny village with its general store, bank, flour mill, churches and country hotel. That hotel — inevitably the "Queen's" — may not boast polished marble and glittering chromium, but it is a shining example to those who would give tourists a big helping of real Canadian hospitality.

The Queen's in question, just over the track beyond a once-a-day railway line and close beside the dusty road, has all the essentials of good hospitality. It is spotlessly clean, its beds are comfortable, its food is a miracle of tasty wholesomeness. The Queen's is modernized to the point of electric light, electric refrigerator, and running water; but it hasn't spoiled its delightfully old-fashioned atmosphere—there's still an aroma of wood smoke from the summer kitchen range, and breakfast toast is made over the embers.

There, in a wayside country hotel, is the secret that many a bigger, swankier resort has unlearned as it grew. The kind but crotchety keeper of the Queen's says she isn't interested in filling her house with a lot of guests; but if she wished it she could overfill it continually. The secret, and the key to success in entertaining guests? — cleanliness, wholesomeness, and a distinctive local charm.

If even half the country hotels of Canada were up to the standard of this Queen's and if a directory listing them and other local attractions were maintained by district tourist bureaus in each province, there would be few American tourists stuck for Canadian accommodation this summer. And they'd come back next year for more.

They Deserve More Pay

There will be very general satisfaction with the recommendations of the Royal Commission on Senior Civil Service Positions.

Salaries for deputy ministers now generally run from $7,000 to $10,000. The commission says the scale should be from $10,000 to $15,000 with a special $17,500 for the deputy minister of finance. Purpose is to get and keep competent men and, in the words of the report, to enable senior officials "to perform their duties free from financial worries and distractions."

Increases for other brackets of officialdom and reforms in general salary and promotion policy were also recommended.

Canadians have been remarkably fortunate in the high calibre and the devotion of many of the men who hold top administrative posts in many of our government departments. An almost invariable comment of visitors who are in a position to compare our public administrators with those of other countries is on the exceptional quality of many of our key Canadian government executives.

It has long been recognized that many of our good public servants have been underpaid; that they could readily earn a great deal more in commerce. The axiom of business that poor pay is poor economy should apply to the biggest business of all—government.

Untouched Gold

Since 1885 the Dominion has been staking its claim to the thousands of square miles of gold-filled tourist country from B.C. coast to Cape Breton Island. It has staked out 26 claims, labelled them National Parks, done little to develop their vast resources. As in all such ventures, development work here takes money, and the necessary budget has not been forthcoming.

To date Canada's national parks have an area equal to the land areas of New Brunswick and Prince Edward Island totalled. Ottawa talk is that more such claim-staking is planned, more prospecting already done. But Ottawa talk says nothing of putting up the funds for developing our present 29,700 square miles of parkland. They need roads, trails, resthouses, toilets, camp sites, and encouragement for private individuals, war veterans and others, who would consider putting money into small but growing resorts.

On page 9, our national parks set-up is shown in detail. That picture should give ample evidence to clinch the case for better development of our national parklands. The proven parks we have already should be opened up for full-scale tourist mining before any money is put into "moose pastures."

It's Been Tried Before

Here's a lesson from the past.

In 1920, labor unions in Italy achieved such power that few workers could get employment unless they belonged to a union. And the unions were in the vanguard of a strong socialist movement.

In the large manufacturing centres of Milan, Turin, Genoa and Venice, the unions forcibly took over the manufacturing plants; started to operate them themselves.

The government couldn't stop this action. Plant owners, including the Fiat Motor Co., could do nothing but say: "All right. Go ahead and run the business."

When previously accepted orders ran out the unions found they lacked the experience and know-how in getting new ones. They didn't know enough about selling; about organizing production; about management. Soon, there was no work.

In a few months, labor threw in the sponge; turned the plants back to the owners; asked them to resume.

Management is just as essential to labor as labor is to management.

Stop Me If —

Young man: What's the best way to teach a girl to swim?

Instructor: That requires technique. First you put your left arm around her waist, then you gently take her left hand, and—"

Y. M.: She's my sister.

Instructor: Oh—push her off the dock.

• • •

The minister in the Highland hamlet had no more ardent admirer than old Jean. As he thundered forth denunciations of the sins of immorality, lying, drunkenness, football on Sunday, her amens were heartfelt.

One day he turned his attention to a habit of pipe smoking among the elder women.

Old Jean left the meeting firmly clutching her pipe. "I can't do with preachers when they stop preaching and start meddling," she said.

• • •

"You're scared to fight."

"I ain't; but me mother'll lick me."

"An' how'll she know?"

"She'll see the doctor goin' to your house."

Post Scripts

He's a Busy Man

Change in control of Riverside Silk Mills has brought the appointment of Leslie A. Dunbar as new president. Mr. Dunbar's friends describe him as a "go getter" with very defnite ideas of where he is going.

MR. DUNBAR

Born in Blackpool, England, in 1902, slim, energetic, brown, wavy-haired Leslie Alexander Dunbar was educated in elementary school at Wolverhampton, England. His father was a musician.

Dunbar's first job was with Villiers Engineering Co., in the applied drafting field. In 1924 he left it to go into the candy business.

Looking around for a better opportunity, young Dunbar came to Canada in 1929. He started here with Fry-Cadbury Ltd., chocolate manufacturers, in Montreal. In 1930 he changed to Hamblin Metcalfe Ltd., Kitchener, makers of Smiles & Chuckles. He soon became general superintendent.

In 1941, Dunbar became vice-president of Dare Co., Kitchener, biscuit manufacturers, then known as the C. H. Doerr Co. In 1942 Dare purchased the Howe Candy Co., Hamilton, and Dunbar became its vice-president.

In May, 1945, Dunbar also became president of Almer Corp., Kitchener., a private investment company and president of Great West Felt Co., Elmira, said to be the largest felt shoe manufacturers in the world. In February, 1946, he was appointed vice-president of the newly organized Canada Health & Accident Assurance Corp., Waterloo. Now Dunbar adds the presidency of Riverside Silk to his activities.

Dunbar is married and has two sons. His chief relaxation is painting in oil and watercolors.

• • •

He Takes His Medicine

Harvey Agnew, M.D., F.A.C.H.A., F.A.C.P., is one medical man who takes his own medicine. To counteract the tensions built up by 20th century living and to reduce the chances of nerve-wrought coronary thrombosis, Dr. Agnew prescribes a relaxing, preferably a non-competitive hobby such as painting or photography. And he's enough of an artist and photographer himself to have been elected president of the American Physicians Art Association at its San Francisco convention recently.

DR. AGNEW

Silver-haired and debonair, Agnew at a young 51, might pass for either physician or artist. In practice, he is neither and both. For 18 years he has directed the hospital work of the Canadian Medical Association. Since its origin in 1931, he's been secretary of the Canadian Hospital Council and editor of the monthly, Canadian Hospital. Administrative work took him away from the practice of medicine after nearly eight years on the staff of Toronto's Western Hospital and post-graduate study on internal medicine in New York and Vienna. By 1939 he had hit the top among hospital administration authorities on this continent with his election to the presidency of the American Hospital Association.

So much for the Harvey Agnew, M.D., who signs a voluminous correspondence on hospital matters. What now of the Harvey Agnew who signs characteristically bright oil paintings that bring framed sunlight to the walls of his Medical Arts office suite and his North Toronto home?

"A physician's training in observation of form, mass, color, and expression may make it easy for him to record what he sees in pigment or clay," argues the new APAA president.

There's no guaranteeing how easy it all is—in fact, artistic standards displayed at the APAA show in connection with the recent American Medical Association meeting, bespeak a lot of painstaking work—but about 4,000 doctors have joined the APAA movement. Member doctor-artists in Canada number about 150; and, although there is no parallel Canadian Medical Association affiliate, there have been shows of work like the one at Banff this year by Canadian members of the APAA in connection with CMA meetings. Next one is scheduled for Winnipeg next June.

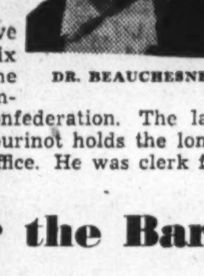
Besides painters in oils, watercolors and pastels, and photographers, the amateur artists include etchers, sculptors, metal workers, jewellery makers, needleworkers (medical women, in this case), virtually every line. For physicians who write for publication on non-medical subjects, there has just been formed the American Physicians Literary Guild. Dr. Charles H. Best of Toronto and Dr. Earl P. Scarlett of Calgary are vice-presidents. Only the musicians have been neglected to date, and there is a movement afoot to identify them as a group.

The American Physicians Art Association got its start about 10 years ago in California, and grew steadily with encouragement from a leading U. S. pharmaceutical supply house in the form of prizes for annual shows, illustrated catalogues of winning work, a bibliography of helpful literature for the amateur artists. In Canada, where the artist-physician idea is younger, a similar support is already forthcoming from another supply house.

• • •

GM of Commons

A few days ago, Dr. Arthur Beauchesne celebrated his 70th birthday. Though he has repeatedly sought retirement, he still graces the long table below the Speaker's chair in the House of Commons; still controls and manages the Canadian Parliamentary scene as is his prerogative since he was first named Clerk of the House of Commons in January, 1925.



DR. BEAUCHESNE

There have been only six clerks in the House of Commons since Confederation. The late and famous Bourinot holds the longest record of office. He was clerk for 23 years. Though Beauchesne is in his 22nd year of clerkship, he holds the long-term record for sitting at the Commons table. He has been there now for 31 years, as clerk and assistant clerk.

It was the great fire which destroyed the Parliament Buildings that brought Arthur Beauchesne to the Commons table. Three years before he had entered the Department of Justice. In the fire, the assistant clerk who was then living in the buildings, lost his life. Borden appointed Beauchesne as his successor. Since then he has served under eight speakers and four prime ministers. He finds Mr. King the most "considerate" of all. Borden and Meighen, he says, largely made their own decisions on parliamentary rules and procedure.

Arthur Beauchesne was the son of a Quebec Notary. The family came from Bonaventure County, Bay of Chaleur, where the father represented the constituency, first in the Quebec Legislature in 1874-76, and later in the House of Commons, 1879-82. Subsequently the elder Beauchesne was collector of customs at Chaleur, later moving to Montreal. Born in Carleton, Bay of Chaleur, Arthur Beauchesne went to New Brunswick as a youth, taking a classical course at St. Joseph's College, Memramcook and university honors at Moncton.

For seven years he became a journalist at Montreal with Le Journal, and in 1903 served in the press gallery in Ottawa. In 1904 he was admitted to the Quebec Bar. Twice he contested (unsuccessfully) the Bonaventure seat—once in a federal election (1908) and once in a provincial contest. In 1913, he joined the Department of Justice.

Being Clerk of the House is an "ungrateful" occupation in Dr. Beauchesne's view. This is because the clerk is, in fact, the "general manager" of the House. The daily comfort, routine and secretarial aid of House membership rest largely in the clerk's hands, although latterly such institutions as the parliamentary restaurant have become the direct responsibility of the Sergeant-at-Arms. Overcrowding and other wartime problems have made the clerk's duties especially onerous in recent years.

Out of his long experience has now come a third edition of "Beauchesne's Parliamentary Rules and Forms." Though the laymen might not think so, this represents very considerable improvement and simplification over earlier practices. Thus under Beauchesne has been introduced the 40-minute speaker rule, the 11 o'clock adjournment, and numberless internal controls to make the machinery of Parliament move more smoothly.

—Cartoon by Grassick

Say, fellow, which tune are you playing?

B. C. Lawyers Lower the Bars—Just a Little

Says fee and other barriers bad for all Canadians

Balkanization of Canada by trade and professional groups has been exposed by The Financial Post. This editorial from the Edmonton Journal reports and comments on recent developments on the division front.

The British Columbia Law Society, long notorious or the fantastic admission fees it charges barristers from other provinces, has taken a halting step towards reducing its exorbitant tariff.

From now on, lawyers and law students from outside B.C. who served at least eighteen months in World War II, will have to pay "only" $750 for admission to the provincial bar. All other "foreigners" will continue to pay $1,500, the standard fee set three years ago.

The secretary of the society says this reduction will remove a "stigma" from the organization. Most outsiders will consider, however, that the fee is still outrageously high, and that its real purpose is not to cover the legitimate expenses of examining and registering newcomers, but to protect B.C. lawyers from competition by excluding practitioners from other provinces.

The British Columbia Law Society is not the only offender in this respect. Nearly all the provincial legal associations have shown the same tendency to restrict the practice of law to natives of their respective provinces. Discriminatory admission fees and other devices are constantly employed to keep strangers out, no matter how high their technical qualifications may be. The old guild spirit of monopoly and exclusion is very strong in these professional associations to which the provincial government, perhaps unwisely, have entrusted the task of governing the practice of law.

It is only fair to add that this spirit is not so evident in the associations which govern admission to the other learned professions. For the most part, they permit properly qualified men and women from other provinces to register without too much difficulty or expense. The medical profession, indeed, has shown the way by setting up a nation-wide system of qualification. Doctors who have passed the Dominion Medical Council examinations are permitted to register and practice anywhere in Canada on payment of comparatively limited fees.

However, the bad example of the law societies seems to be spreading among other businesses and occupations. All over Canada restrictive schemes are being pushed to confine the practice of skilled trades and specialist businesses to certain favored groups usually on a geographical basis.

The tendency everywhere is to discriminate against the newcomer, the "outsider." The old order of things, where a young man starting out in life was free to wander the country at will, and practice his trade or open his shop wherever he wished, seems to be passing away.

The dangers and evils of this new tendency are many. Not the least of them is the stimulus it gives to the narrowest kind of provincialism. It checks the free movement of men, skills, and ideas across the country.

The B.N.A. Act forbids the provinces to erect tariff barriers against goods entering their territory, but organizations like the B. C. Law Society have succeeded in building a tariff against men.

It will be a powerful blow for national unity when common, Canadian-wide standards are established for all the professions and trades, and people are again free to live and work where they choose.

What Others Are Saying

Editorial of the Week

The Budget Debate: Exercise in Futility

Montreal Daily Star

The Budget debate is petering out to futility. When the Budget evoked such country-wide criticism from the moment it was brought down, the country fully expected this debate to be the most important of this Session. It has been far from that. Reduced to its simplest but perfectly accurate terms, it has consisted in the Opposition saying to the Government, "You are extravagant," and the Government replying, "We are not." No more than that. What promised to be a first-class explosion has turned out to be a damp squib.

Either the Opposition missed a priceless opportunity or it failed to find adequate material for criticism in the Budget, for the statements even of its leading financial critic have consisted in broad generalization when what was called for was specific suggestion as to where savings could be made that would reduce the taxpayers' burden.

Mr. Ilsley himself took this view in winding up the debate for the Government when he twitted both the CCF and the official Opposition for failure to uncover extravagance.

"The CCF," said the Minister of Finance, "has shown no concern about our expenditures. They never come down to this: How would they finance? That is the question they never answer.

"With regard to the Progressive Conservative Opposition, they meet this problem by saying we should cut our expenditures . . . When we have tried to pin them down to specific savings of expenditures in this House, the showing has been pathetic. There has been a tiny suggestion here and a tiny suggestion there."

The Minister's criticism is fair enough. The Opposition has been unable to show where large savings could be made, and although the general public still suspects that there is extravagance—or rather a policy of generous spending that comes to the same thing—it cannot, without the aid of the Opposition which has access to all the accounts, place its finger on the items that could be pruned.

Other People's Views

CANADA'S FOREIGN POLICY should be made known to people and Parliament, says **The Ottawa Citizen**. "The Prime Minister goes to the peace conference without outlining as would be done in every other parliament of the British Commonwealth what he intends to do there or the principles by which he intends to be guided."

PORT OF VANCOUVER OPERATIONS should show a profit, says the **Vancouver Sun**. "High cargo rates made necessary by high debt charges could be slashed to stimulate Pacific coast commerce. The Sun is violently critical of alleged long official dawdling on even getting into the facts of the matter.

WHO GAVE PICKETS THE AUTHORITY TO POLICE? asks the **Calgary Herald**, commenting on how pickets seized control in the Ford strike and now at Hamilton. "By default (police) grant picketers the right to maul people and shove them around, to prevent them from entering legitimate business premises and to issue or refuse identity cards to them. This is very satisfactory for the strikers and very unsatisfactory for the non-strikers. Both sides pay taxes for police protection. But only one side gets it."

INVITING TO LAWLESSNESS is Government policy on the steel strikes, says the **Ottawa Journal**. What about the law making the steel strike illegal and strikers subject to high penalties. "It may be a foolish law, an impracticable law, but there it is. If the Government thought it foolish or impracticable, if they never had intention of enforcing it, why did they pass it? Their retreat from it now, constituting admittance that it was only a bluff, an empty threat, must have the deplorable consequence of fostering contempt for the law, of inviting lawlessness."

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July 27, 1946

New York State Smooths the Path For Small Business, Old and New

New York State is doing everything for the small businessman except dragging customers into his shop or plant by the scruff of the neck. The Department of Commerce is showing business enterprise how to build that better mouse trap, and is actually paving the path to the door.

"The New York State Plan for Small Business Expansion is intended to give new impetus to an institution that is as old as America and as young and vigorous as the war veteran embarking on his career," said Governor Thomas E. Dewey in announcing the plan. "It is designed to provide state and local service to help the man and woman in small business succeed."

To help new business parents bring forth healthy offspring and to help enterprising youngsters grow up and prosper, the Dept. of Commerce makes itself a source of experienced counsel and well-indexed information. Its small business plan is a three-armed service, functioning through the publication of business booklets, the provision of personal aid on specific problems at any of its 11 field offices, and through local guidance from men of experience in a given community. There is also a deputy commissioner, Jane H. Todd, assigned to deal with women in business and businesses of prime interest to women.

War Closed 100,000

The Empire State, at last report, already had a round 400,000 small business enterprises in operation. It boasts a retail trade level 30% above the national U. S. average, and in the wholesale field, claims 26% of the national total. It is estimated that more than 100,000 small businesses folded up during the war, principally on account of shortages in merchandise and in labor. The state's small business plan aims at making up for lost time and then some.

Gratis, with the best wishes of Governor Dewey and his men, goes a series of small business publications on request. There are 10 publications in the first series, neatly printed, illustrated and indexed. They vary in size from 11 to 50 pages, cover the fundamentals of good management, financing, picking a location, insurance, purchasing and inventory control, record keeping, advertising, credit, and government regulations. All were proof-read by businessmen with specialized experience.

Summary of Booklets

Here, in brief, is the sort of material covered by each book:

No. 1—STARTING YOUR OWN BUSINESS IN NEW YORK STATE—Opportunities and pitfalls in the path of the small businessman, an analysis of the number of businesses needed to restore pre-war number in all lines, how much cash is required, personal qualifications, conditions of profitable operation. (19 pages).

No. 2—FINANCIAL SERVICES—Prepared in co-operation with New York State Bankers Association, explains how money can be borrowed and used, what the banker will want to know about a business, security, loans to veterans, other sources of loans. (12 pages).

No. 3—PICKING A LOCATION—Prepared in co-operation with New York State Association of Real Estate Boards, discusses relationship between type of store and part of city, pedestrian traffic volume, tabulates number of various types of stores per 10,000 inhabitants, retail store rentals according to type of business expressed in percentages of gross sales. (13 pages).

No. 4—INSURANCE—Written in co-operation with Association of Casualty and Surety Executives, Capital Stock Fire Insurance Companies, and National Association of Insurance Agents, describes types of hazards and specific protection against these. (16 pages).

No. 5—PURCHASING & INVENTORY CONTROL—When, what and how much to buy, how to keep track of stocks from receiving room to customer, question of turnover, balanced stock, overstocks, mark downs, pricing definitions, inventory valuation. (19 pages).

No. 6—RECORD KEEPING—Why keep records, what they should tell, signs of progress, profit and loss statement, daily records behind annual statements. (22 pages).

No. 7—ADVERTISING — Basic principles of advertising, newspaper, radio, direct mail methods, related questions of window display, store layout. (11 pages).

No. 8—USE AND CONTROL OF CREDIT—Prepared in co-operation with Associated Credit Bureaus of New York State, Associated Credit Bureaus of America, National Retail Credit Association, deals with establishment of a credit policy, principles of credit control, procedure and collection methods, gives sample forms of application, collection letters. (25 pages).

No. 9—REGULATIONS—In broad outline, a compendium of state law, municipal authority and federal rules regulating business in New York State. (39 pages).

No. 10—PUBLICATIONS—An index, with title, author, price, publisher of manuals, texts and handbooks classified by fields of interest, and a selection of trade magazine information. (53 pages).

Statistical Data Books

The Dept. of Commerce is also preparing a library of New York State Business Data catalogues to provide more technical information, marketing data, statistics, charts and maps on population, retail trade, labor force, purchasing power, etc., of every community in New York State of more than 2,500 inhabitants. There are to be 11 such regional data books, grouping counties according to spheres of economic interest. The first of these are out, the remainder in preparation.

Outside the publication field and apart from its 11 field offices, the Dept. of Commerce maintains a continuing directory of available industrial plants in the state, an up-to-date record of labor conditions, and a technical service which provides smaller businesses with research and laboratory facilities normally beyond their budgets.

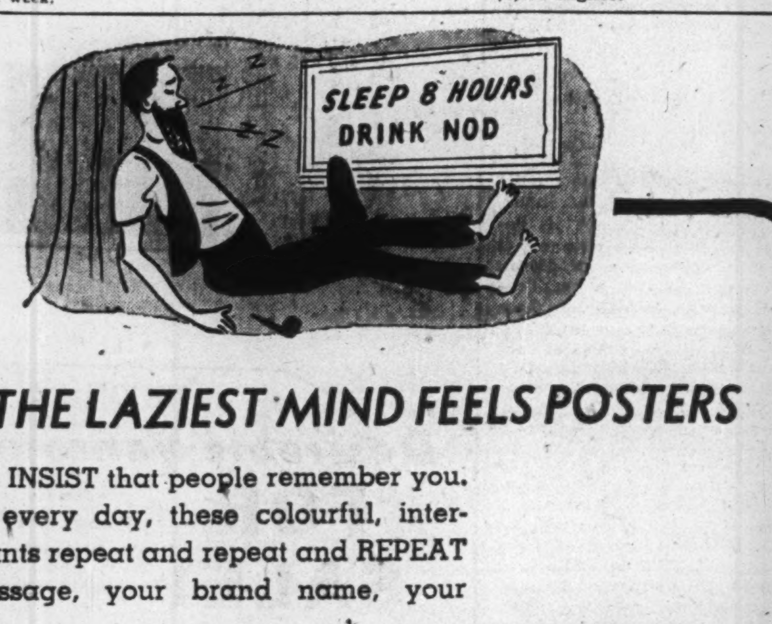
Indisputably, as reads the title of a beautifully illustrated, industrial bird's-eye view of the state, "New York Means Business." And in the face of this forward-looking promotion of enterprise, there is no denying the truth of Governor Dewey's foreword to that book: "It is no mere accident that New York has always been the industrial leader among states, a model of the free enterprise system."

BUSINESS THIS WEEK

THE FINANCIAL POST	JUNE	MAY	APR.	MAR.	Year Ago
PRODUCTION INDEX (1)	....	190.1	189.6	189.0	233.2
GOVERNMENT FINANCE (millions of $)					
•Dom. total revenue	202.3	265.7	156.2	....	213.3
•Dom. total expend.	249.3	243.1	122.3	....	429.7
MERCHANDISING					
Dept. store sales index no. (1)	....	208.7	213.4	222.2	162.8
Retail sales index no.	....	216.9	212.0	210.2	182.0
Wholesale sales index no.	....	260.1	238.1	234.0	205.9
Country store (% change pr. yr.)	....	+17.2	....	....	....
FINANCE					
Dividend payment index (5)	....	....	144.2	142.7	140.0
Bank debits (1)	....	....	222.1	224.6	186.7
Bank deposits index (1)	....	253.1	248.1	250.2	223.6
Money supply (millions $)	....	....	7,190	7,084	6,321
NEWSPRINT CAPACITY					
Production ratio	....	....	....	92.8	70.2
Shipment ratio	....	....	....	89.0	71.1
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) index	....	184.4	187.9	196.5	214.2
Cars (D.B.S.) index	....	146.4	143.9	150.1	153.9
COST OF LIVING					
D.B.S. index	123.6	122.0	120.8	120.1	119.6
EMPLOYMENT INDEX, D.B.S.					
All industries	....	169.2	168.9	167.0	175.5
Manufacturing	....	186.1	184.9	182.6	210.6
Payrolls (June 1/41=100) (2)	....	138.0	139.5	137.3	144.8

			Jan. 1 to date		Change
RAILWAYS—(000's omitted)	1946	1945	1946	1945	%
•Carloadings (week July 13)	70.1	73.6	1,863.2	1,908.0	—2.3
•C.P.R. gross rev. (July 14)	5,305	6,553	150,023	167,671	—10.0
C.N.R. gross rev. (May)	30,784	37,617	154,554	174,212	—10.1
C.N.R. net rev. (May)	3,388	7,598	15,130	30,050	—49.6
C.P.R. gross revenue (May)	22,589	26,622	116,298	126,655	—8.2
C.P.R. net revenue (May)	1,048	3,537	6,528	12,567	—48.1
IRON AND STEEL (000's omitted) (May)					
Pig iron production (tons)	159.1	155.6	746.1	782.9	—4.7
Steel produciton (tons)	259.6	267.6	1,224.8	1,338.5	—7.8
CONSTRUCTION (000's omitted)					
Contracts awarded (June) $	66,401	58,885	342,606	175,748	+94.9
Building permits (May) $	45,324	17,860	172,287	61,107	+181.9
Cement prod., bbls. (Apr.) $	1,002.4	615.9	2,190.1	1,364.0	+53.2
AGRICULTURE (000's omitted)					
Flour prod., bbls. (May)	2,344	2,108	22,088	20,729	+6.2
•Flour exp., bbls. (June)	1,060	1,673	7,523	7,491	+0.3
•Wheat exp., bush. (June)	9,947	43,295	79,368	110,485	—28.2
Cattle sales (June) (4)	113.6	101.4	711.6	773.3	— 8.0
Hog sales (June) (4)	290.8	367.5	2,457.9	3,429.8	—28.9
SEA FISHERIES (000's omitted)					
Catch, cwt. (May)	1,216	1,100	2,821	3,352	+15.9
Landed value (May) $	7,881	6,331	14,432	12,943	+11.5
NEWSPRINT (000's omitted)					
Production (June)	344	266	2,003	1,545	+29.7
Exports, tons (Mar.)	220	267	922	716	+28.8
MINING AND OILS (000's omitted)					
Coal prod., tons (April)	1,363.6	1,321.1	6,421.1	5,986.3	—6.8
Gold rec. (fine oz.) (May)	223	222	1,180	1,083	+8.9
Petroleum prod. (brl). (Apr.)	644.4	692.9	2,598.6	3,133.1	—7.1
ELECTRICAL POWER OUTPUT (000,000's omitteld) (May)					
Total monthly kw.h.	3,616	3,593	17,271	17,261	+0.1
FOREIGN TRADE (millions of $)					
Imports (May)	164.2	143.8	722.2	652.2	+10.7
Exports (May)	197.0	315.2	896.1	1,395.6	—34.9
FINANCE (millions of $)					
Bank debits (May)	6,116	6,894	28,896	26,582	+8.8
Bond sales (June)	236.9	148.6	2,676.6	3,610.8	—25.9
Life insurance sales (May)	104.7	62.2	480.4	314.4	—34.6
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
•Shoe prod., pr. (April)	3.9	3.3	14.8	12.6	+17.4
Cotton consump., lb. (May)	14.6	13.5	72.0	70.3	+2.4
•Cigarette cons. (no.) (June)	1,181	1,182	6,951	6,884	+0.9

(1) Base period 1935-39=100.
(2) All industries.
•New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.



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Materials Lack Curbs Building

From Our Own Correspondent

EDMONTON—Shortage of building materials has caused postponement of between $2 and $3 millions of construction planned for Edmonton this summer, City Architect Max Dewar, states.

Among the large projects shelved until 1947 are the C. Woodward Ltd. warehouse, the Dominion postal building and the medical arts building. Building plans of scores of small and medium commercial enterprises also have had to be postponed

Critical lack of materials has been felt as far north as Yellowknife, N.W.T., where construction planned by mining companies is being retarded. Difficulty is being encountered in obtaining steel for the large federal power project on Snare River, 100 miles east of Yellowknife. Supply of electric power is now considered the No. 1 need in that region before proceeding with other shortage-hit construction.

Foundation* Co. Plans To Sell 3% Debentures

MONTREAL (Staff)—Foundation Co. shareholders will be called upon, on July 30, to sanction special bylaw "E", approved by the directors on July 4, and authorizing the directors, among other things, to issue debentures or other securities of the company. Present intention is to issue $750,000 of 3% serial debentures, President R. E. Chadwick recently told shareholders.

Proceeds will be used to replenish working capital position for commitments already made in acquiring fixed assets and provide funds for the purchase of additional plant and equipment, considered advisable in view of the large volume of business offering, Mr. Chadwick said. At Dec. 31, 1945, company working capital stood at $847,077 ($1,031,098 at the end of 1944).

It is proposed that the debentures will mature in equal annual installments over a period of 10 years from the date of issue. Mr. Chadwick said the company had already received an offer to buy these debentures at par.

Newsprint Stocks At 10-year Lows

MONTREAL (Staff) — Though North American newsprint production for the first 6 months of 1946 was 23.8% greater than in 1945—with Canadian production up 29.7%—U. S. publishers still knew they were in a sellers' market.

Daily newspapers reporting to the American Newspaper Publishers Association reported that stocks of newsprint paper on hand at the end of June were 30 days' supply, the lowest June stock position in 10 years and a decrease from May 1946 of 2 days' supply. Other significant statistics reported by the Newsprint Association of Canada were:

1. Apparent U. S. consumption in June totalled 365,189 tons, a decline from May, 1946, though less than seasonal. Consumption was 34.2% greater than a year ago.

2. Apparent total North American stocks at the end of June were 540,416 tons, down 7,106 tons from May and down 39,473 tons from June, 1945.

3. Newspaper advertising linage in 52 U. S. cities was 23.9% greater than in 1945, with magazine advertising linage up 17.1% from the corresponding 1945 period. Radio network billings for the first quarter 1946 were 3.9% higher than last year.

The Canadian industry produced 334,207 tons equal to 96.5% of capacity. Stocks of newsprint in the hands of Canadian manufacturers increased by 12,402 tons to 123,161 tons as shipments ran below production.

Honor Canadian Sugar Researcher

Highest award of the International Electrochemical Society, Inc., the Dr. Edward Goodrich Acheson gold medal and $1,000, this year will go to Prof H. Jermain Creighton, head of the chemistry department of Swarthmore College in Pennsylvania. Dr. Creighton, born at Dartmouth, N.S., and a graduate of Dalhousie University at Halifax, joined Swarthmore as a lecturer in chemistry in 1912.

The award has been made in recognition of his outstanding accomplishments in developing a process for the electrolytic reduction of sugars on a commercial scale, converting glucose into sorbitol, from which is derived ascorbic (vitamin C).

Presentation will be made to Dr. Creighton at the 90th Congress of the society in Toronto in mid-October. In connection with his successful efforts in research, he has already won the Longstreth Medal (1918) and the Howard N. Potts Medal (1939). The Acheson award was founded by the inventor of carborundum and artificial graphite.

SHAWINIGAN WATER & POWER CO. earned the equivalent of $0.65 per share common in the 6 months ended June 30, 1946 ($0.534 in corresponding 1945 period). Gross revenue was down from $11.14 millions to $11.0 millions; net earnings were down from $5.9 millions to $5.3 millions but net profit at $1,416,442, was $253,148 higher as tax provisions were cut $691,595 or 43.4%. Surplus for half year was $327,317 ($183,082 for 6 months ended June 30, 1945).

QUEBEC POWER CO. reports common stock earnings the equivalent of $0.53 per share for the 6 months ended June 30 ($0.52 for corresponding 1945 period). Gross earnings of $2.4 millions were up $176,371 but with operation, taxes and other expenses $166,000 higher at $1.4 millions, net profit was only $6,206 higher.

FOUNDATION CO. OF CANADA shareholders are being notified of a special general meeting on July 30 for approval of bylaw authorizing the company to issue debentures or other securities of the company. If approved, it is the intention of the directors to issue $750,000 in 3% 10-year serial debentures which will be sold privately to an institution it is understood.

Proceeds will be used to replenish the company's working capital position for commitments already made in acquiring fixed assets and to provide funds for the purchase of additional plant and equipment considered advisable because of the large volume of business that is offering.

FAMOUS PLAYERS CANADIAN CORP. has had 70,500 additional shares of common stock approved for listing on the Montreal Stock Exchange. These were called for trading July 16. These shares were recently issued to certain officers of the company at $15 a share, and the proceeds will be applied to general purposes of the company.

Managed Investment

"Wait and See" Policy Advised for Compton

Uncertainties as to the business outlook continue to cloud the investment horizon, Compton's manager states in his monthly report. A "wait and see" attitude is recommended.

Compton is 38, married, has two children but no dependent relatives. He has what is considered adequate life insurance for his present needs and circumstances. He was buying and holding an appropriate amount of Victory bonds and war savings certificates.

The $10,000 in securities, which Dec. 15, 1944, he handed over to a professional investment manager is the Compton nest-egg. From it they want income but they also hope to enlarge it. In their minds, the aim is about 50-50 between income and capital appreciation.

Compton's Manager Says:

During the two months ended July 15 you purchased 10 Montreal Locomotive Works common stock and 25 E. B. Eddy Co. preferred shares and sold 25 Consolidated Paper common shares and $100 Dominion of Canada 3% bonds.

As a result of these "switches" your expected annual income has been increased by $17.50. At $535.85 it is now larger than at any time hitherto.

For the two months' period from May 15 to July 15 interest and dividends of $88.63 were received by your account. After deducting the $25 monthly for your personal account, the balance of $38.63 has been transferred to your cash account, which amounted to $47.28 on July 15.

In spite of the coal strike and the railway strike in the United States the New York and Canadian stock markets held relatively firm until about the middle of June.

Since June 17, however, the stock markets here and in New York moved sharply downward. On June 20 there was on the New York market the widest break since February of this year and the second widest in six years.

Uncertainties as to the business outlook both in Canada and the United States for the balance of the current year continue to cloud the investment horizon. Also, throwing a damper over stock market activities are:

(1) Lack of decision on labor matters by the United States Congress;

(2) Dramatic termination of price-control in the United States;

(3) Disappointment felt in Canadian financial circles following the presentation of the Dominion budget;

(4) Unexpected return to parity between the Canadian and U. S. dollars.

All of these are excellent reasons for adopting a "wait and see" attitude for your account.

Compton Fund Now Stands

No. of Shares	Security	Cost per sh.	*Market per sh.
	Common Stocks	$	$
10	Can. & Dom. Sugar	22	23½
5	Consumers' Gas	140	175½
5	Goodyear	95⅛	116
15	John Labatt	20	27½
35	Montreal Locomotive	18	21
35	Southam	13	21
60	York Knit. Mills	11¾	17
	Preferred Stocks		
30	Can. Wire Box, A	23¾	27
25	E. B. Eddy Co.	22	22⅛
5	Int. Metal Ind., 4½%	100	103½
50	Maple Leaf Gdns.	11½	12
25	Riverside Silk, A	33½	34½
30	D. Stuart Oil	16¼	22
50	McCabe Grain, A	11	12½
	Bonds		
$800	Can., 3% 1956/59	100¾	104⅛
900	Can., 3% 1957/60	100½	104½
700	Can., 3% 1959/62	100⅝	104½
2,000	Can., 3% 1959/63	100	104⅛
Cash			$47.28
Curr. Market Value of Fund			$13,877.78
Prospective Annual Income			$535.85
Average Yield on Original $10,000			5.36%

*Bid price on July 15, 1946.

NIB YELLOWKNIFE MINES advises that July 1 option installment on 500,000 shares at 75 cents has not been exercised and agreement with John Ross Hetherington has been terminated for default.

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Production by 1948 Plan For Blind River Project

Mackay - Tory - Beveridge - Mead Combination Buys Out McFadden and Mead-Johnson Interests —Bets Against Future Pulp Surplus

The "use it or quit it" policy on timber limits with which Ontario's Premier Drew introduced his regime four years ago is still paying off in pulp and paper expansion projects. Newest is that of Huron Forest Products Ltd., Toronto, which, having committed itself to a major lumbering operation at Blind River, Algoma district, also contemplates expansion there into the pulp manufacturing field.

Construction in 1947-48 of a large sulphite pulp mill is contemplated by the newly incorporated company.

The company, headed by Hugh Mackay of W. C. Pitfield & Co., Montreal, as president, was incorporated in Ontario in June to acquire the lumber business and sawmill operation at Blind River previously carried on by J. J. McFadden Holdings Ltd., J. J. McFadden Lumber Co. and the Mississaga River Improvement Co., all of which were wholly owned and controlled by J. J. McFadden, Blind River.

In addition, and with a view to processing pulp and sawing lumber as a joint operation, the new Huron Forest Products Co. has acquired all shares of an existing company of the same name, which was owned by the Mead-Johnson interests and the name of which is being changed to Huron Pulp & Lumber Ltd. The old company, under Mead-Johnson ownership, had held pulp cutting rights along the Mississaga River but had been inactive since 1943.

Mill Size Undecided

Size of the proposed pulp mill, it is stated, will depend to a large extent on the outcome of current negotiations between the company and the Ontario Dept. of Lands and Forests in respect of cutting rights on the Mississaga River watershed.

Ontario pulp and paper industry officials are of two minds about the proposed further expansion of pulp capacity, coming on top of recent major enlargement of production facilities in the northern reaches of the province, notably the Brompton operation at Red Rock, Marathon at Peninsula, Kimberly-Clark near Schreiber and Kalamazoo Vegetable Parchment at Espanola.

The two views, in effect, are these, the contrary stand in some cases admittedly influenced by actual or threatened loss of custom.

Justified — "Canadian pulp capacity is very far from saturation point; current orders aren't being filled and premium world demand is indicated for several years ahead. Overexpansion of pulp and paper capacity in Canada in the early 1920's was at a time when uses for cellulose, pulp and paper were very much fewer and much less varied than they are today. Competition has declined. United States has long since exhausted its pulp resources, while Norway and Sweden will never be able to operate above a maintenance basis. That leaves only Russia and Canada to meet the expanding world demand for pulp."

Unjustified—"Tremendous expansion in Canadian pulp and paper capacity in recent years, particularly in Ontario, is steering Canada into a very substantial pulp surplus, reminiscent of the newsprint debacle of 16 years ago. There is no question that demand for pulp has increased in wartime and that some of this new demand will stay. But there is a very live question whether new uses of pulp—for example, in medical dressings, toilet tissues, artificial fabrics and new packaging developments—will be able to fill the gap caused by virtual stoppage of production of military explosives and war material cartons."

Not Operating Company

The millsite, sawmill, plant and other fixed assets incidental to the lumbering operation are owned by J. J. McFadden Lumber Co., which in turn owns all shares of the Mississaga River Improvement Co., incorporated 1894. The latter company owns all improvements on the Mississaga River, including booms, alligators, tugs.

At present, the new Huron Forest Products Ltd. is not an operating company. It owns all issued shares of J. J. McFadden Lumber and of the old Huron Forest Products Ltd. (name of which, as mentioned, is being changed to Huron Pulp & Lumber Ltd.). It has charter powers, however, which will enable it to carry on actively as an operating lumber and pulp company if that is thought desirable when the pulp mill is built, officials state.

Mead Not in Control

Mead Corp., New York, has a substantial interest in the new enterprise but does not control it. The contemplated expenditure for the pulp mill is between $5½ and $6½ millions. No public issue is contemplated at present.

One of the key figures in the purchase negotiations and in the new Huron company is J. Brookes Beveridge, Montreal, while Mead Corp. and related U.S. interests are represented by Sydney Ferguson, Mead president, and H. T. Mead, Jr., both of New York.

The existing McFadden lumber mill at Blind River—considered one of the most modern of its type in Canada when built 18 years ago by Carpenter Hickson Co.—has an annual capacity of 100 million board feet, but has not been in full operation for some years, mainly because of labor shortage. It is 100% mechanized, with individual control. Main building is 90 by 248 ft., with two long wings; the dressed lumber shed, with ten dry kilns, is one of Canada's longest buildings, 156 by 600 feet; the piling ground 60 acres, with capacity for 70 million feet of lumber.

Construction of the Huron pulp mill at Blind River will bring to around $75 millions the total outlay on such plants in Ontario in the past few years, a program which in the words of Ontario government officials is making that province "the pulp centre of the world."

Following are officers and directors of the Huron and McFadden companies:

HURON FOREST PRODUCTS
Hugh Mackay, Montreal, president.
J. S. D. Tory, K.C., Toronto, vice-president.
Sydney Ferguson, New York, director.
J. Brookes Beveridge, Montreal, director.
C. F. W. Burns, Toronto, director.
M. W. McCutcheon, Toronto, director.
T. H. Mead, Jr., New York, director.
J. H. Thomson, K.C., Toronto, secretary.
J. A. Weldon, Montreal, treasurer.

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J. J. McFADDEN LUMBER and MISSISSAGA RIVER IMPROVEMENT
Hugh Mackay, Montreal, president.
J. S. D. Tory, K.C., Toronto, vice-president.
C. E. Smith, Blind River, general manager, a director.
Sydney Ferguson, New York, director.
J. Brookes Beveridge, Montreal, director.
J. H. Thomson, K.C., Toronto, secretary.
J. A. Weldon, Montreal, treasurer.

Production by 1948

MONTREAL (Staff)—Whether a new pulp mill will be erected at Blind River, Ont., midway between Sudbury and Sault Ste. Marie, Ont., will depend on the type of report which cruisers now surveying the timber potentialities of the area will make, The Financial Post is informed. Until this report has been made and analyzed by directors of Huron Forest Products Co., no specific answer can be given to these questions:

(1)—When will the erection of the proposed mill commence?

(2)—What will its annual capacity be? and

(3)—What will it cost?

It is known, however, that should recommendations of the timber cruisers be favorable, plans for the erection of a sulphate pulp mill, based on white pine, will be finalized.

Until then, the directors are merely marking time, The Post is informed. Construction costs of a bleached kraft mill of the type contemplated are understood to be about $40,000 per ton of daily capacity.

Behind this projected pulp mill is Huron Forest Products Co., a holding company which acquired in June, 1946, at a cost of approximately $2 millions, the assets, rights and privileges of The J. J. MacFadden Lumber Co., The Missasagua River Improvement Co., and Huron Forest Products Co. At the moment, however, all that is in operation at Blind River is the MacFadden Lumber Co. with an annual capacity of 100 million board feet of lumber.

Principals in the holding company include Hugh Mackay of Montreal and Rothesay, N.B., the president. Mr. Mackay, besides being president of W. C. Pitfield & Co., Montreal underwriting firm, and director of Hugh Mackay & Co., members of the Montreal Stock Exchange, is also a director of the Donnacona and Rolland Paper Companies. Vice-president of Huron Forest Products is J. S. D. Tory, K.C., prominent Toronto solicitor and industrialist. Directors of the company consist of the Messrs. Ferguson and Mead of the Mead Corp., Ohio, large U. S. manufacturer of book papers, liner board and tanning extracts; M. W. McCutcheon, a director of Canadian Breweries and Argus Corpn of Toronto, and J. B. Beveridge, Montreal chemical engineer, formerly associated with Dryden Paper Co., Acer, McKernon Pulp Co. and the Lake Sulphite Pulp Co. It is understood that E. P. Taylor, Toronto industrialist, has a small interest in this company as well. Because Ferguson and Mead are associated with the Huron Forest Products Co., one interpretation is that the new pulp mill will sell part of its output at least to this company. At the present time part of the wood pulp supply for the Mead Corp. is being obtained in Canada.

At the moment the market demand for bleached sulphate pulp continues very strong with the U. S. requiring all the imported pulp that it can receive. Inventories of bleached sulphate pulp in that country at the end of April totalled about 20,000 tons, or less than 10 days supply although the position may conceivably improve in the near future as more Scandinavian pulp is now likely to become available as a result of the OPA ceiling price boosts made in May. Just what effect the recent price increase on Canadian-made bleached sulphate pulp, bringing current prices to $103.40 per ton, will have on increasing exports to the U. S. from this country is a matter of conjecture.

Rain Improves Crop Prospects West Sees Above-Average Harvest

From Our Own Correspondent

WINNIPEG—Good rains generally throughout the West have further improved crop conditions during the past week. Moderate to severe hail damage is reported from a number of points, but on a relatively small scale. An average to better-than-average crop seems now in prospect.

In southern Manitoba, crop conditions are improved, rains particularly helping late-sown grains. The latter, however, will probably return below-average yields. Moisture conditions are satisfactory and sufficient to fill out the grain and improve length of straw. Wheat is practically all headed out and coarse grains are coming into head. The beet crop is coming along well, but may be lighter in yield than last year. Flax is practically all in bloom.

Rains were general over northern Manitoba, with weather varying from warm to extremely hot. Crops previously drought-affected are showing material improvement, although many stands are rather short and uneven. Over this section an average or slightly better than average crop is anticipated. Good hay crops are being cut, although wet weather is delaying this operation.

Good rains were received in eastern Saskatchewan but further rain is needed in the south around Bengough and, in central Saskatchewan, from Craik north. Rye is approaching the harvesting period. Apart from isolated hail damage there has been no crop deterioration during this period.

Light to heavy rains occurred in most of central Saskatchewan, with weather quite hot. Wheat is now 14 to 26 inches in height, and practically all headed out. Heads are fair length and around sections of Zealandia are six-rowed. Flax is now in full bloom on the Elrose subdivision and rye is being swathed. Hail damage up to 50% occurred on a relatively small acreage at Vanscoy, Delisle and Laura. At D'Arcy, up to 1,000 acres suffered 100% damage. Crops are suffering badly from lack of moisture immediately east of Unity.

Crops are generally satisfactory in northern Saskatchewan, except around Spruce Lake and Frenchman Butte, where deterioration is evident due to lack of moisture. From Prince Albert to Blaine Lake, crops are making good recovery from the severe burn of two weeks ago. Scattered hail damage is reported at several points in this northern territory but it is not extensive. It appears that an average crop will be harvested. Wheat ranges up to two feet in height.

Crop conditions continue satisfactory east and north of Calgary, except for a few points along the Saskatchewan boundary. Hail occurred south of Cereal, covering an area six by 25 miles, damage being from 75% to 100%. Only 30% of this area, however, is in crop.

Weather has been very warm in the Edmonton territory, with the majority of points receiving some additional moisture. Growth of grain, hay and pasture is very heavy but will require additional moisture on that account. Wheat ranges from 18 to 30 in. in height and is 50% headed out. Coarse grains are up to 24 in. high and are beginning to head. Several points report hail but damage has been extremely light so far. It would appear that over much of this territory a 30-bushel crop is in prospect if weather continues favorable. Summer fallowing has been held up to some extent by rain but is nearing completion. The hay crop is heavy in this territory.

Crop prospects are good from Edmonton to McLennan but additional rain would be welcome in the Grande Prairie and Sexsmith areas. From Peace River west to Hines Creek rains have fallen during the week but may be too late for some areas.

U.S. Loan to U.K. Gives Green Light to Tariffs

OTTAWA (Special)—Chief reaction to the passage of the U. S. loan to Britain here is that it will help clear the way for international action on currency and tariffs.

Both these experiments in multilateral action are still regarded as top requisites for Canada's longterm economic future. Both still have many obstacles to overcome, but it is agreed that the British loan was the key log in the jam. With it out of the way, the other obstacles can be attacked.

Bretton Woods

Few in Ottawa expect that the International Monetary Fund will be ready to police international exchange rates before the end of the year. And some of the best friends of the Fund are just as happy that it hasn't had to take the responsibility for okaying the boost in Canadian and Swedish exchange rates.

Both Canada and Sweden have come in for some international criticism since their parities were boosted, and in Canada, this has been supplemented by internal complaints, mostly from gold mining groups. As a result, supporters of the Fund are just as pleased to see this criticism aimed at the governments concerned, rather than the international body. Just as well to let some of the transitional flurries subside before the Fund takes over, they think. The Fund itself will have enough of its own troubles.

As to timing, best opinion here is that the Fund will not be ready to start its machinery moving until September at the earliest. When it does move, the first step will be to give the member nations 30 days' notice to file their initial rates of exchange. For most countries, that rate will be the one in effect last Oct. 27, but for Canada, Mr. Ilsley stated that the new rate would be the one to be reported to the Fund.

After that 30 days' period is up, member nations will have a further 90 days to ask for changes in their initial rate. That makes a total of 120 days from the time the Fund mails its first notices until it gets fully into operation. If the notices do not go out until September, it is likely to be 1947 before the Fund gets down to the daily routine of running the world's exchange rates.

As far as the new Canadian rate is concerned, Ottawa's money experts are still a little surprised at the smoothness with which the change went over. Many had expected something like a run on Canadian high grade bonds. It was known that many U. S. investors had bought Canadian high grades partly as an investment, and partly as a speculation on a return of the Canadian dollar to par. So it had been expected that there would be a fair amount of profit taking when the speculation paid off.

Yet, so far, there is no visible sign of U. S. selling. Such selling would show up in large-scale exports of actual certificates to the United States, or in heavy offerings of Canadian currency on the free markets in the United States. No sign of either has appeared. Ottawa is, however, not banking too heavily on the U. S. investor's remaining "bullish on Canada" indefinitely. Foreign Exchange Control retains the power to check any wave of selling that might develop.

What did come as a surprise to the money experts, was the reaction of some U. S. sources to Canada's return to parity. One report in particular referred to the move as the opening of a currency war, and suggested that Canada (and Sweden) were attempting to "export inflation." Mildest Ottawa reaction to this sort of article is that it is "unfortunate."

Imperial Preferences

As with the International Monetary Fund, it will take some time (probably 12 to 18 months) before the terms of the British Loan Agreement can be translated into tariff action. And until there has been time to see whether a world conference on trade and tariffs will succeed, few important changes are likely to be made in the Canadian tariff or in Imperial preferences.

U. S. political conditions will govern the timing on the coming world conference. No meeting will be held before November, because of the Congressional elections that month. Nobody south of the border wants to talk tariffs in the middle of an election. On the other hand, the conference must reach its decisions (and get them into effect if possible) before the middle of 1948. Not only is 1948 a presidential election year, but the Doughton Act will expire in June, 1948. This is the Act which extended the President's right to cut tariffs 50% without consulting Congress. Passed in June, 1945, it only conferred this privilege for three years.

That means, according to Ottawa authorities, that the United Nations Economic and Social Council may be able to get its International Trade and Employment Conference under way next March. With luck, decisions might be reached by mid-year, and with still more luck, they might be on the statute books of individual nations by the end of the year.

Trade experts here are determined rather than optimistic about the coming conference. It is admitted that:

(a) Isolationists may win control of Congress at the next election;

(b) High tariff sentiment seems to be gaining some ground among others of the 18 nations scheduled to attend;

(c) There is a "joker" in the conference proposals that would permit countries to "take temporary action to prevent sudden and widespread injury to the producers concerned." Depending on how it is interpreted, that clause might seriously reduce the benefits of tariff renegotiation. (A letter from President Truman when the Doughton Act was under discussion was explicit that he did not intend to "trade off" weaker industries under the tariff powers to be granted under the Act.)

(d) Even if the conference is successful in clearing out the tariff barriers to trade, there is still the quota system to contend with. The United States recently put through a quota deal with Switzerland covering watches; already had one with Cuba for a quota of Cuban sugar exports. Canada's projected wheat deal with Britain and the British sugar quotas with the colonies fall into the same category.

ROLLAND PAPER CO. has received Montreal Stock Exchange approval, effective July 22, for listing of the company's 17,000 new 4½% cumulative redeemable preferred shares. These shares were originally issued to reimburse the company for expenditures incurred in redeeming its $1.5 million 6% preferred shares and for general corporate purposes.

Four Provinces Already Negotiating at Ottawa

(Continued from page 3)

Roper, provincial CCF leader.

Said Boutillier: "Innocent-appearing at first, the budget proposals put forth by Mr. Ilsley are nothing more than a Trojan horse which may mean a battle for survival for the whole co-operative movement in Canada."

Roper termed the budget proposals "the worst blow struck at the co-operative movement in its history in Canada."

"Worst blow ever dealt Canada's co-operative movement," added R. D. Purdy, Wheat Pool general manager; estimated it would cost the Alberta pool between $1 million and $2 millions: "The movement has suffered a severe setback, mainly at the insistence of the Western Canada grain trade, and the mighty business corporations of the East."

More in Edmonton—Edmonton's 1946 population stood at 114,976, up 3,231 in a year. Women exceeded men by 3,694. Of the total, 77,806 have lived 20 years or more in the city.

Better than Blubber—Reconversion brought a luxury diet to Eskimos of Aklavik and other far northwestern regions, as tons of U.S. army beef, stored at Canol Camp and at Norman Wells, were dumped on the market at 45 cents a pound. Enjoying their first taste of such food, Eskimo families bought it in 100-pound lots; even their husky dogs, accustomed to frozen fish, shared in the epicurean scraps.

• • •

British Columbia

B. C. Looks Ahead

While Ottawa's Industrial Relations Committee probed the steel strike, authorities in B. C. began overhauling provincial legal machinery dealing with collective bargaining and labor disputes generally, anticipating a return of such matters to provincial jurisdiction. The Province was reported considering: Permanent labor courts, to deal with industrial disputes; a formula for greater union responsibility in handling bargaining disputes; secret ballots for strike votes, under Government supervision of necessary; regulations for accounting of union funds; some form of union security, such as a check-off provision.

New Mystery Menace—And now it was the hemlock looper which menaced the Province's forests. In the Youbou area of Vancouver Island, hordes of the mystery caterpillars had destroyed 30 million feet of hemlock last year; were now reported "munching relentlessly away at even Douglas fir and maple." Ontario rallied to the aid of its sister province, and rushed a giant Canso aircraft, equipped with spraying equipment, to wage air war on the pests. Government entomologists, meanwhile, admitted that "very sparse scientific literature" is available on the subject of the looper.

PGE Must Extend—If diamond drilling revealed coal in paying quantities in the Peace River area, the Pacific Great Eastern Railway would soon be in operation there. Premier John Hart's British Columbia Government admittedly wanted such an extension, if it would pay its way; was willing to see the extension built by CNR, CPR, or independent interests, on "reasonable" terms; was ready if necessary, to undertake the project itself (PGE has been provincially - owned since World War I). Drilling was under way in two areas; on Hasler Creek, in the Pine River Valley, where some 600 tons of coal were mined in 1941; and northwest of Hudson's Hope, seeking to uncover an extension of coal deposits now privately-owned in the Canyon field.

J. H. STAFFORD INDUSTRIES ANNOUNCE NEW APPOINTMENT

J. D. STAFFORD

News of the appointment of J. D. Stafford to the office of Vice-President was contained in a recent announcement from J. H. Stafford Industries Limited, Toronto. Mr. Stafford, who attended the University of Toronto and served with the Royal Canadian Navy prior to his discharge, will be assigned to the sales supervision department.

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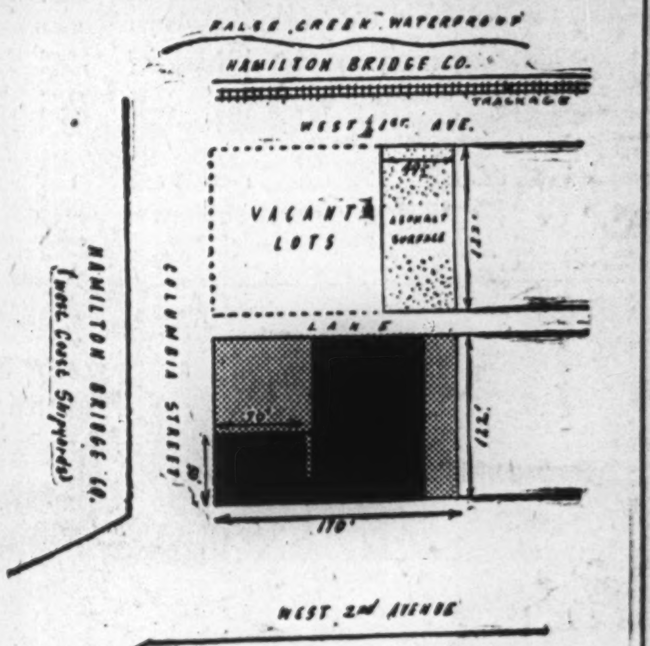

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There's Gold in Them Thar Parks If Canada Would Just Dig for It

"National parks? They're just big stretches of wilderness, mostly out west around Banff and Jasper, aren't they?" That's likely to be the response if you mention our 29,700 square miles of national park area to most Canadians. And if you're talking to a tourist from the United States, chances are you will draw a complete blank.

Yet some of the nation's richest tourist country, or the raw material for making it the richest, lies within that area, which is larger than the whole Province of Nova Scotia. It lies in the rolling mountain-top plateau at Mount Revelstoke, or Alps-like Glacier Park, it lies east of the Rockies in the endless forests and open plains of Wood Buffalo Park between Athabasca and Great Slave Lakes, in Manitoba's Riding Mountain game preserve, in the Georgian Bay and St. Lawrence Islands of Ontario, in Quebec, New Brunswick, Prince Edward Island.

The park system runs east as far as the rugged Atlantic coastline of Cape Breton Highlands. Yet, to Canadians and their American visitors alike, the national parks are virtually unknown country.

Ottawa's View

Sir John A. Macdonald said the national parks were established "to recuperate our people and to recoup our treasury." At Ottawa, however, the men charged with parks administration tell you that the Government now regards conservation of wild life the prime function of those 29,700 square miles of potential tourist gold. They say that keeping up the parklands "for the enjoyment of the Canadian people and their visitors" is an admittedly secondary consideration.

Parks men in the Norlite Building across from Parliament Hill add that they can do little more than cut trails through the parklands for fire ranging, with the budget and staff at their disposal. The National Parks Bureau is a little better off this year with $2,069,000 in its hands (last year the budget totalled $1,360,000; the year before $975,000), but in round figures that's only about $1.34 per square mile per week.

"During the war and for some years before, our national parks have been on the barest maintenance basis," a man who should know told The Financial Post. "Plant" and equipment have been wearing out and have not been replaced. Now the whole parks budget is being eaten up in an attempt to overcome arrears in maintenance. Nothing is being set aside for new development work."

So the national parks are not costing Canada much in actual dollar outlay. Neither are they bringing in much revenue—their best year to date was 1940-41, when gross direct revenue (from motor licenses, fishing licenses, etc.) reached $393,012.53. Pre-war annual attendance averaged about one million persons. Sir John A. would scarcely be satisfied with the way they are "recuperating our people and recouping our treasury." Of course, the parks may be very healthful resorts for birds, animals and fish, and tracts of virgin timberland may be flourishing in some of them; but think what they could mean as well to Canadians and their visitors, and, incidentally, to the national treasury.

Talk of Expansion

There has been talk for some time of setting aside thousands of square miles more for National Parks Bureau administration. An area of 10,130 square miles in the Yukon has been definitely earmarked, a sea-level park on the Pacific coast is under consideration, areas in New Brunswick have been examined with an eye to their suitability for park use, and there is the half-started Quetico-Superior International Memorial Park in the Rainy River district. All this scattered planning, but no attempt to make a job of those already on the string.

"Instead of adding to the large areas earmarked for national parks—already 11 times as large as the area of Switzerland—it seems better business for the Government to spend money on the parks it already possesses and to provide the park superintendents with adequate staff to cut and maintain trails giving easy access to spectacular country, which at present is hard to reach and virtually unknown," said J. Murray Gibbon, former Canadian Pacific Railway public relations director, in a brief on postwar tourist travel in Canada.

That sounds like good sense from Mr. Gibbon. His brief confined itself to the Rocky Mountain area, where six of Canada's earliest national parks cover 8,500 square miles. It is in the Rockies that the policy of earmarking land for national parks, then leaving it to luck or to the railways to provide tourist facilities, has been most evident. So, Mr. Gibbons' complaint is understandable when he explains that, apart from trails cut for fire protection, most of the trail work has been done by the railways in connection with their resort hotels at Banff and Jasper.

Some trail-cutting has been done by the Government under pressure from a private club, The Trail Riders of the Canadian Rockies; but there is untold room for improvement in opening up roads and trails for motorist, bicyclist and hiker, and providing resthouses, bungalows, and finally full-scale resorts. If the area were made accessible, private enterprise could be entrusted with the rest of the program.

Mountains Come High

Today, a large percentage of the area in the Rocky Mountain parks is accessible only to those who can afford to engage guides and ponies at an average cost of $15 per day per person. A part of the area, at least, could be brought within the price reach of a thousandfold more Canadians and Americans with a reasonable investment in trails and camp sites, which would pay off handsomely. The national parklands in every province would be a natural for the Youth Hostel Movement, which promotes hiking and cycling holidays. Resthouses at 10-mile intervals along the forest and mountain trails would suit their purposes and bring healthful, inexpensive holidays within reach of those who can't afford a week or two at a summer hotel or aboard a cruise ship.

What We Have Now

On the other side of the ledger, some progress has been made by the National Parks Bureau, within the limits of its budget, in providing camp sites and picnic grounds in a few instances. Kootenay Park, for example, has nine camp sites, equipped to provide shelter, sanitary and cooking facilities for groups varying from eight to 64 overnight campers. Yoho Park has three sites equipped to handle six to 16 campers. Mount Revelstoke has three camp grounds for those carrying their own equipment. These, when the size of the respective parks is considered—Kootenay, 587 square miles; Yoho, 507 square miles; Mount Revelstoke, 100 square miles—are but token efforts in the right direction.

Other national parks' camp sites are to be found in Jasper Park (three), in Banff (12), Waterton Lakes, Alta. (three), Prince Albert, Sask. (seven) Georgian Bay Islands, Ont. (18), and St. Lawrence Islands, Ont. (eight). Most of these sites provide kitchens, tables and benches, fuel, running water, and sanitary facilities. Some include shelters, pavilions and electricity. Most complete is at Tunnell Mountain, Banff, where seven service buildings, running water, electric light, plug-ins for autotrailers and 24 dining shelters have been built to serve as many as 1,500 persons.

Foxes and Golf Balls

For golfers, five of the 26 national parks offer courses, with fairways climbing from sandy Prince Edward Island seashore upward to one of the highest links in the world (4,700 ft. above sea level) at Banff. Shortest of the five is at Elk Island, near Edmonton, Alta., where hazardous small ponds and big-game buffalo, elk and mule deer vie for the golfer's attention. The course in Prince Albert, Sask., park is the one with the wildest yarns spun about it. P. A. golfers swear that they've seen foxes steal golf balls off the greens on the 16th, 17th and 18th holes.

National parks in Canada date back to 1885, when an area of 10 square miles surrounding the hot springs at Banff was tagged by the Government. From that starting point, Banff park grew to its present 2,585 square miles, and the idea spread from coast to coast. Glacier and Yoho parks in 1886 were right on the heels of the Banff opening. Last in the chain, to date, were seven relatively tiny parks centred about restored forts out of Canada's history books. These are Fort Prince of Wales, Man., Forts Malden and Wellington, Ont., Forts Chambly and Lennox, Que., Port Royal and the Fortress of Louisbourg, in Nova Scotia.

Small-scale Promotion

Promotion of national parks has been on the scale one might expect, considering budget limitations and the Ottawa attitude that the parks don't rate high tourist-wise. There have been three regional booklets published, grouping the Mountains, the Prairies, and the East, providing maps, photographs, a bit of history and current data; and individual pamphlets on eight of the 26 parks, give greater detail to assist parks visitors. One other pictorial folder and, from time to time, press releases on the park system generally, complete the record. It's not the sort of thing that's likely to touch off a mass movement parkward either on the part of native Canadians or tourists.

That's the story of our national parks. They stand, today, a field fertile with tourist possibilities, waiting only to be plowed, planted and cultivated. They promise a rich harvest in tourist dollars, dollars from the lower income brackets as well as the high. There's something in the national parks for everybody.

Are We Overlooking These Tourist Playgrounds?

Here are the Dominion's national parks, numbered from west to east, and keyed to the following summary:

1. **MOUNT REVELSTOKE, British Columbia.** Rolling mountain-top plateau on west slope of the Selkirk Mountains. Accessible by motor road. Established 1914; area, 100 square miles.

2. **GLACIER, British Columbia.** Superb alpine region in heart of Selkirk Mountains. Snow-capped peaks, glaciers, luxuriant flora. Established 1886; area, 521 square miles.

3. **YOHO, British Columbia.** On west slope of Rockies. High peaks, beautiful lakes. Yoho and Kicking Horse Valleys. Established 1886; area, 507 square miles.

4. **KOOTENAY, British Columbia.** Encloses Vermilion-Sinclair section of Banff-Windermere Highway in Rockies. Broad valleys, deep canyons, hot mineral springs. Established 1920; area, 587 square miles.

5. **JASPER, Alberta.** Immense playground and game sanctuary. Majestic peaks, ice-fields, beautiful lakes, and famous resort, Jasper. Summer and winter sports; golf. Established 1907; area, 4,200 square miles.

6. **BANFF, Alberta.** Magnificent scenic playground in central Rockies. Noted resorts, Banff and Lake Louise. Summer and winter sports centre; golf, big game sanctuary. Established 1885; area, 2,585 square miles.

7. **WATERTON LAKES, Alberta.** Canadian section, Waterton-Glacier International Peace Park. Mountain playground with colorful peaks, varied flora and fauna; golf. Established 1895; area, 220 square miles.

8. **NEMISKAM, Alberta.** Fenced preserve for pronghorned antelope. Reserved 1915; established 1922; area, 8.5 square miles.

9. **ELK ISLAND, Alberta.** Fenced preserve containing large herd of buffalo; also deer, elk, and moose. Recreational and camping resort; golf. Reserved 1906; established 1913; area, 51.2 square miles.

10. **WOOD BUFFALO, Alberta, and N.W.T.** Immense region of forests and open plains west of Slave River between Athabasca and Great Slave Lakes. Large herd of buffalo and other big and small game. Established 1922; area, 17,300 square miles.

11. **PRINCE ALBERT, Saskatchewan.** Forested lakeland interlaced with numerous streams. Summer resort and recreational area; golf. Established 1927; area, 1,869 square miles.

12. **RIDING MOUNTAIN, Manitoba.** Playground and game preserve on summit of Manitoba escarpment. Summer resort and recreational area; golf. Established 1929; area, 1,148 square miles.

13. **FORT PRINCE OF WALES, Manitoba.** National Historic Park at Churchill. Ruins of fort built 1733-71 by English to control Hudson Bay. Established 1941; area, 50 acres.

14. **FORT MALDEN, Ontario.** National Historic Park with museum at Amherstburg., Defence post built by English, 1797-99 on Detroit River. Established 1941; area, 3 acres.

15. **POINT PELEE, Ontario.** Recreational area on Lake Erie, with fine beaches and unique flora. Resting point for migratory birds. Established 1918; area, 6.04 square miles.

16. **GEORGIAN BAY ISLANDS, Ontario.** Thirty islands in Georgian Bay. Unique formation on Flowerpot Island. Recreational area. Established 1929; area, 5.37 square miles.

17. **ST. LAWRENCE ISLANDS, Ontario.** Mainland area, and thirteen islands in "Thousand Islands" group, with recreational facilities. Reserved 1904; established 1914; area, 185.6 acres.

18. **FORT WELLINGTON, Ontario.** National Historic Park with museum at Prescott. Defence post built on St. Lawrence River 1812-13. Established 1941; area 8½ acres.

19. **FORT CHAMBLY, Quebec.** National Historic Park with museum at Chambly Canton. Fort built by French 1665 on Richelieu River; rebuilt 1709-11. Established 1941; area, 2½ acres.

20. **FORT LENNOX, Quebec.** National Historic Park with museum on Ile-aux-Noix, Richelieu River, near St. Johns. Fortifications built 1812-27 by English. Established 1941; area, 210 acres.

21. **FORT BEAUSEJOUR, New Brunswick.** National Historic Park, with museum near Sackville. Site of French fort erected 1751-55. Established 1926; area, 59 acres.

22. **PRINCE EDWARD ISLAND.** Strip 25 miles long on north shore of island province. Recreational area with fine beaches; golf. Established 1937; area, 7 square miles.

23. **PORT ROYAL, Nova Scotia.** National Historic Park at Lower Granville. Restoration of the "Habitation" or first fort built 1605 by Champlain and De Monts. Established 1941; area, 17 acres.

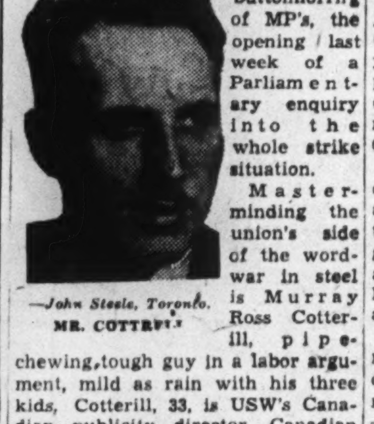
24. **FORT ANNE, Nova Scotia.** National Historic Park with museum at Annapolis Royal. Fort associated with early Acadian history. Established 1917; area, 31 acres.

25. **FORTRESS OF LOUISBOURG, Nova Scotia.** National Historic Park with museum near Louisburg. Ruins of walled city erected by the French 1720-40. Established 1941; area, 339½ acres.

26. **CAPE BRETON HIGHLANDS, Nova Scotia.** Rugged Cape Breton Island coastline with mountain background. Fine seascapes from highway; golf. Established 1936; area, 390 square miles.

Meet Murray Cotterill Steelmen's Press Chief

Whatever else may be said of union activities leading up to the present steel strike, no one can deny that it was preceded by a carefully engineered and effectively designed "public relations" buildup. Not a few labor men credit to the union's publicity and its insistent buttonholing of MP's, the opening last week of a Parliamentary enquiry into the whole strike situation.



—John Steele, Toronto.
MR. COTTERILL

Masterminding the union's side of the word-war in steel is Murray Ross Cotterill, pipe-chewing, tough guy in a labor argument, mild as rain with his three kids, Cotterill, 33, is USW's Canadian publicity director, Canadian Congress of Labor's public relations chairman, an active member of the Ontario Federation of Labor's executive board, secretary-treasurer of the CCL-affiliated Toronto Labor Council.

Nephew of the late John McEwen Murray, one-time assistant general secretary of the Canadian Bank of Commerce, grandson of a sugar company manager, son-in-law of a Newfoundland copper-mine manager, he was brought up in a fashionable Toronto neighborhood, attended University of Toronto Schools.

Subsequent years saw him a Fuller brush and jewellery salesman in the North, railway laborer, prospector, correspondence student of commercial art and yacht club bellhop. Between jobs he helped organize fellow-unemployed, engaged in one or two brushes with the police, including a little trouble on a T. Eaton Co. picket line in Toronto in 1934.

It was about this time that he joined the then-burgeoning CCF Ontario party and organized its youth movement from the vantage point of Sunday school superintendency; about this time, too, that he met USW Canadian Director Charles H. Millard.

Cotterill joined the Steelworkers office in 1940 as Millard's general assistant and publicity man. Since then he has been a tireless propagandist, a producer of pamphlets, and Canadian editor of USW's Steel Labor, published monthly at Indianapolis headquarters.

When the steelworkers' press chief recalls his sole attempt at political office—unsuccessful tries three in a row for a Toronto city council seat—he settles his chunky 190 lb. and 5 ft. 10 in. lower in his office chair, ruefully rubs a sandy moustache and closes his eyes behind their glasses. But when you ask him if he'll try again, he sits up sharply: "Looking for ammunition," he says in a clipped, sharp way.

CHESKIRK MINES has advised the Montreal Curb Market that by an agreement of May 29, 1946, Federal Trading and Agency Co. received an option on 1,200,000 shares at prices ranging from 10c. to $1 a share, with all stock to be taken up by Dec. 31, 1948. Authorized capital of the company is 3,000,000 shares, of which 1,850,005 shares are reported issued.

EAST SULLIVAN MINES in its June 30 progress report, states that its five-compartment shaft has been collared and the temporary head frame erected with all mining equipment installed for resumption of shaft-sinking to the objective of 500 ft. At June 30, the opening was down 70 ft. Camps to accommodate 120 men have been completed and work on the miners' change-house, staff building, warehouse, temporary machine shop, etc., is reported well advanced. A branch line of the Canadian National Railways is to be put into the property and will have a length of approximately three miles.

DISCOVERY YELLOWKNIFE MINES has received payment for the balance of Sept. 1 option installment, comprising 115,000 shares at 30c. a share, together with an additional 100,000 shares at 40c. a share to apply on account of Feb. 1, 1947, option installment from J. W. Ralston. Issued capital is 2,276,789 shares.

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Dated June 15, 1946 — Due June 15, 1970

Principal, half-yearly interest thereon (June 15 and December 15), and redemption premium, if any, payable in lawful money of the Dominion of Canada, at the principal office of the Paying Agent of the Company in the Cities of Montreal, Toronto, Halifax, Winnipeg or Vancouver, at the option of the holder. Redeemable in whole or in part at any time prior to maturity on at least thirty days' notice at the following percentages of the principal amount thereof, together in each case with accrued interest to the date of redemption:

Twelve Months Period Ending June 14	Percentage of Principal Amount: For redemption at option of Company or for other purposes of the Bond Indenture	For redemption for purposes of Sinking Fund
1947	107.50	—
1948	107.20	—
1949	106.90	—
1950	106.60	—
1951	106.20	—
1952	105.90	103.90
1953	105.60	103.80
1954	105.30	103.60
1955	104.90	103.50
1956	104.60	103.30
1957	104.30	103.10
1958	104.00	102.90
1959	103.60	102.80
1960	103.30	102.60
1961	103.00	102.40
1962	102.70	102.20
1963	102.30	102.00
1964	102.00	101.70
1965	101.70	101.50
1966	101.40	101.30
1967	101.10	101.10
1968	100.80	100.80
1969	100.60	100.60

And thereafter to maturity at the principal amount thereof.

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Trustee: The Royal Trust Company

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Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice. It is expected that Bonds in temporary form, exchangeable for Definitive Bonds when available, will be ready for delivery in Montreal and Toronto on or about July 19, 1946.

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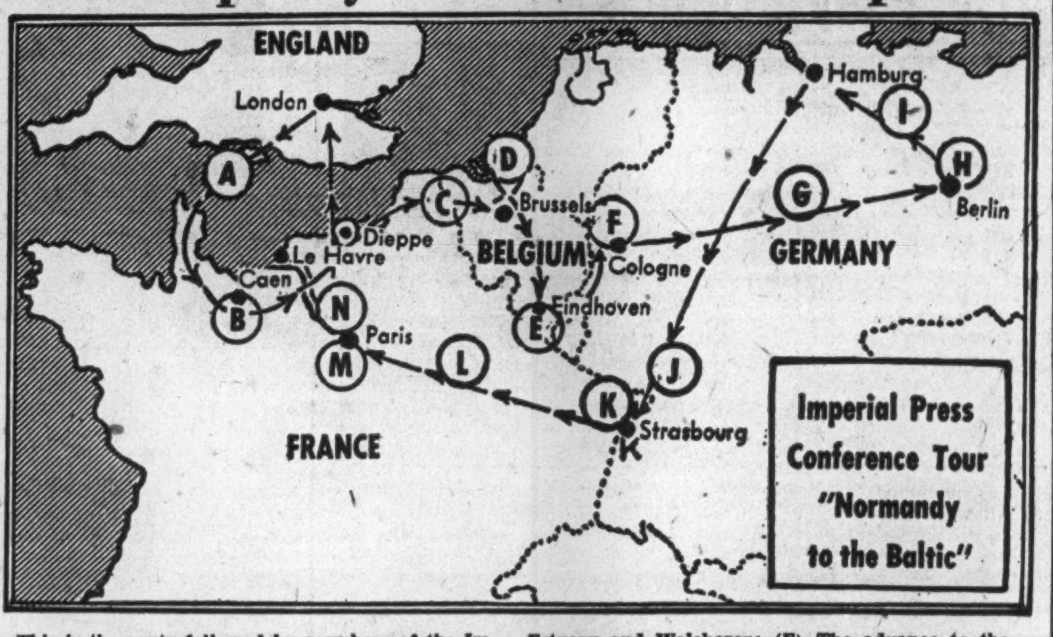
July 18, 1946

Canadian Editors Tread 1944-45 Victory Trail Blazed Across Europe by Dominion Troops

Floyd S. Chalmers, Executive Vice-President of Maclean-Hunter Publishing Company Limited, is now in England, as one of a party of 17 Canadian publishers and editors, who attended the Imperial Press Conference. Following is the eighth of a series of articles.



This is the route followed by members of the Imperial Press Conference in their air-highway tour of Europe's battlefields, described in this week's installment of F. S. Chalmers' Diary. Letters on the map indicate the following high points of the tour: (A) Flight to invasion coast and study of Normandy bridgehead by air and by motor; (B) The Battle of Normandy—fighting around Caen; (C) Flight to Brussels; (D) Air Tour of Scheldt Estuary and Walcheren; (E) The advance to the Rhine and the Battle of Arnhem (by motor); (F) Road tour of the Ruhr; (G) Evening flight to Berlin; (H) Tour of Berlin; (I) Flight to Hamburg and air view of Kiel Canal; (J) Flight to Strasbourg; (K) One day in French zone; (L) Overnight train to Paris; (M) Three days in Paris, guests of the French government; (N) Return to London.

CAEN, FRANCE

MONDAY—I begin these notes on ground which will ever be historic to Canadians. This is Carpiquet airfield, just out of Caen, captured by the Queen's Own Rifles, the Chaudieres, the North Shores, and the Fort Garry Horse of Major Gen. Keller's Third Canadian Division two years ago, almost to the day. The wrecked hangars suggest the price Canadians paid in blood to take this field. Over the hill to my left is the Abbey of Ardennes, where one Kurt Meyer made his H.Q. In the middle distance are the shattered ruins of Caen, where the Canadians fought the fiercest battles of the month after D-day.

We took off from an English airfield in our Dakotas and were soon over Cherbourg. We swung over to the invasion coast. Flying at 500 feet, and circling around every point of interest, we saw all that this storied coast has to tell. We had detailed maps to guide us. Down the Cherbourg peninsula, Hitler's Atlantic wall seemed impregnable; but when we reached the area of actual operations we saw how the air forces and navies had pulverized his concrete bastions. Over the wreckage of the American "Mulberry" and then over that amazing artificial harbor, the British "Mulberry," with the noble, sunken ships and most of the concrete caissons still there. Then on to the smaller harbor, "Gooseberry," on the Canadian section of the coast, up the river Orne, over Caen and to this field.

• • •

Normandy Still Battle-Scarred

CABOURG

Now it is evening. We are distributed among the summer hotels of this resort, just on the edge of the invasion coast. We have had dinner. What a dinner, after British "austerity" (or such of it as we were allowed to experience). Tomatoes, fish, headcheese, roast beef, salads, custards, peaches, wines, brandy. Some of the party are still in there, eating. This little corner of Europe seems to have an abundance of food. The crops are excellent; the herds of cattle are coming along. The little towns are battered; the church steeples pierced with shell holes; the good roads shattered by army trucks and the country lanes made into good roads by army engineers.

This is Normandy. And we have had an expertly devised tour of the invasion front coast by plane and later by bus and on foot. We stopped at each important beachhead and an officer who had led a regiment on that beach told us what happened.

First we went to Arromanches, site of Mulberry. Then to a couple of the British beaches and finally to the 3,000 yards between Courceulles and Bernieres, where the Third Canadian Division made its landing. There Lt.-Col. D'Arcy Marks of Toronto, and Lt.-Col. F. M. Griffiths, of Niagara Falls, described the events of June 6, 1944, as the Canadians saw them. I feel I could now write a military textbook on this greatest frontal assault in history, but this is a diary of trivia, and not of history.

We walked to the sign put up by the French to commemorate the Chaudiere Regiment. The French have put signs everywhere to honor British, U. S. and Canadian regiments. They have named the Mulberry, "Port Winston." There are inns named after Canadian battalions. We had to walk gingerly; there are mines all about. German prisoners are at work removing them. Every few minutes one hears a few exploding. Today we skipped them all, although I found myself straying into a mined zone. And the bathers, too, here for the holidays, seem to evade them.

• • •

How Canadians Helped Take Caen

ON THE BATTELFIED OF NORMANDY

TUESDAY—The three services have planned this tour well. Yesterday, they showed us the operations on D-Day. Today, they gave us a clear picture of the fighting in the bridgehead area up to the time the Canadians and the Third British Division captured Caen and opened the way for the "break-out," which will be demonstrated tomorrow.

Great pains have been taken to make the picture clear. For example, we were briefed by a general, an admiral and an RAF officer who had large wall to give us perspective. Then we got into cars and visited half a dozen of the spots where the fighting was hardest and where key positions were won. At each one, an officer who took part in the actual operations took over and described the defense, the assault, the extent of the gains—and the cost.

It is not easy to resist the temptation to recount in detail the story of each battle; how the 6th Airborne Division took the Pegasus bridge with paratroopers and gliders, a brilliant and heroic job, which could make a book in itself; how the tanks fought it out at Tilly-Longevres; how Villers-Bocage was taken after being completely flattened by the RAF; how the Canadians captured the heights from Buron to Cussy and made Caen untenable. But these are stories I leave for a more brilliant diarist to tell.

To the layman, the chief impression a battle area leaves is one of utter destruction; beautiful little villages wiped out completely, churches wrecked, ruined tanks and guns everywhere. One senses the cost in monetary terms when one sees the abandoned gliders by the hundred. Each has served its purpose in a single flight and was left to rot. But the cost in human terms is greater. There are the cemeteries here and there where thousands lie buried; the poppies blow in Norman fields, too.

• • •

Five Weeks of Life Then Death From Air

Here is a lovely little village trying to rebuild itself. All the stones have been collected and stored in neat piles, each with the number of the house which once they formed. Here is a rude little grave, in a village garden; father, mother and child. Over the grave of the child are the words, "Né le 10 Mai; décédé 15 Juin, 1944." Five weeks of life, and then death from the air.

The people are kind and happy, after all they have suffered. They greet us in every village. One farmer produced a decanter of cider when he found I was a Canadian. (It is potent stuff, this Norman cider, but today it was welcome after covering over 100 kilometres of dusty roads on a sizzling July day). These peasant folk never heard about the controversy over a Canadian flag. They put together pieces of broken colored tile to make our red ensign and that memorializes, for them, some brave Canadian.

We do not know the whole story of the invasion but the "combined services team" leading us has demonstrated abundantly that a lot of nonsense has been talked about "Monty's mistakes and British failures" here. The pattern is clear, the battle went according to a pre-arranged plan. The British and Canadians kept up incessant pressure (at fateful cost in lives) all around Caen. The Germans thought this was where the major advance would come. They concentrated eight of their Panzer divisions here. They left only one-half division opposite the Americans to the west. While the German strength was being worn down by the British and Canadians the Americans gathered a huge striking force. Then came the break-out by Gen. Bradley.

We have all seen enough here to realize that Ralph Ingersol et al. are incredibly ignorant of what really happened. The brilliance of the strategy, with its deliberate effort to make the Germans think they were winning, with its success in drawing the Panzers to the place we wanted them to be—all this is compelling in its force when one has seen the battleground and been "briefed" by the men who did the job.

• • •

Where Hiter Made First Great Misake

OVER THE CHANNEL

WEDNESDAY — We are flying from Caen to Brussels, flying along the coast past Le Havre, Deauville and Dieppe. We've completed our coverage of the third phase of the Battle of Normandy. First day was the great assault; second day was given over to the consolidation of the bridgehead, ending in the fall of Caen. Today we drove down the Caen-Falaise road, and the "pocket" where "Monty" bottled up the Seventh German Army, forced the retreat to the Seine and opened the way for the U. S. armor to dash to Paris. On almost every inch of this ground Canadian soldiers have fought. One of their most interesting performances was their large-scale attack on the night of Aug. 7-8, when they moved up in armored vehicles, four abreast, leaving little villages to be mopped up by the following battalions.

Again I pass over the detailed military operations. But one thing must be said of the fighting on today's ground. It was here Hitler made the first of the three great mistakes in generalship that marked his intervention. Even as his generals knew he was well and truly beaten in Normandy, and when they were ready to withdraw to the Seine, he ordered a counter-attack. It failed miserably and panic seized the Boche. In the Falaise pocket was incredible confusion. When the battle of Normandy was done Hitler had lost 500,000 men, 1,500 tanks and 3,500 guns. Most of the men lie buried in unmarked mass graves. Most of the tanks and guns lie derelict in the fields we passed through.

No unmarked graves for Canadians. Canadian cemeteries, neat, lovely and solemn, are taking shape. We visited one today, and on the crosses saw familiar names.

In late afternoon, we emplaned. The No. 1 aircraft, carrying the Canadian party, circled Dieppe. It was clear that the Germans had greatly strengthened the defenses of Dieppe after August, 1942. We could see their powerful concrete gun emplacements, most of them badly shattered by RAF-RCAF raids. Dieppe looked strong. One could see why nearly two years elapsed between the Dieppe raid and the great invasion. The methods of 1942 would not have won the Normandy battle of 1944.

Shortly afterwards, we flew over ground watered by the blood of Canadians in 1914-1918; we circled twice around the Vimy Ridge memorial, proudly intact, a sentinel surveying a richly historic countryside.

And then down in Brussels for a hot bath and dinner with the British Ambassador.

• • •

Rich Dutch Farms Destroyed by Sea

EINDHOVEN, NETHERLANDS

THURSDAY—I date this from Eindhoven, but it would be more accurate to write "somewhere over Belgium and Holland." We have just flown over Walcheren Island, where 25,000 of Hitler's troops tried to make a last-ditch stand to keep us from using the port of Antwerp. Our forces finally took Walcheren. The Canadians advanced up the treach-

(Continued on page 11)

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Fines' Exchange "Gamble" Saved Province $230,625

From Our Own Correspondent

REGINA—Insomnia, imagination and a watchful eye on the international trade situation are valuable qualities in a provincial treasurer, it has been shown by the experience of Saskatchewan's Treasury head, Hon. C. M. Fines. Recently they were worth $230,625 to the provincial treasury.

When arrangements had been completed to pay off a $2,250,000 Saskatchewan bond maturity, payable in American funds, last July, Mr. Fines was worried about the potential loss the province would suffer if the Canadian dollar should suddenly be revalued at par. He knew revaluation was possible because of Canada's favorable balance of trade and the heavy U. S. demand for Canadian securities.

The disturbing thought was on his mind when he went to bed. Lying restlessly awake, he suddenly grasped the solution to the problem. It was a gamble. If there was no revaluation, the province stood to lose a small amount. If revaluation came, the Treasury would make a large amount of money. The Treasurer decided to take the chance.

Next morning Mr. Fines telephoned the bank and instead of paying off the bond out of Treasury moneys, he arranged to borrow the money in New York on the security of the cheque that was originally intended to pay the bondholder. There was 1½% interest on the loan; but since the Saskatchewan funds which had not been used continued to yield three-quarters of 1% interest, the total interest loss was only a little over ¾%.

Nearly a year later the Canadian Government revalued the dollar. When Mr. Fines paid off the loan it was at a saving of $247,500 in exchange. Since only $16,875 had been paid in interest charges on the loan, the Saskatchewan Treasury Department had saved $230,625—enough to make any provincial treasurer happy.

CANADIAN INDUSTRIES LTD. advised the Montreal Curb Market last week that holders of certificates of class "A" common shares, class "B" common shares, and preferred shares are to send their share certificates by registered mail to the company's transfer agent, the National Trust Co., Montreal. As from July 11, each class "A" and class "B" common shares has been converted into ten new common shares of one class having one vote each. The number of votes attaching to each preferred share, on those special occasions when preferred shareholders are entitled to vote, has been increased from one to ten.

SAINT JOHN, N.B., will issue $636,000 of city debentures to meet expenditures on public works and civic improvements made during recent years, the city council decided last week. Timing of the issue and the rate of interest will be decided at a later meeting, but the rate is not to exceed 3% annually, payable half-yearly.

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Editors on Victory Trail See Europe's Battlefields

(Continued from page 10)

erous neck of land between the two branches of the Scheldt; another Canadian force took Flushing and the Royal Marine Commandos executed a brilliant capture of Westkapelle from the sea.

But the R.A.F. also was in the picture. Walcheren is below sea level. For hundreds of years the Dutch have patiently salvaged its fertile soil from the sea. Dykes, 330 ft. across at the base, and wide enough for a roadway on top, kept the salt water out. The R.A.F. breached the dykes and flooded out the Nazi troops. Today, Walcheren Island (about 10 miles by 12 miles) is largely a barren waste. The grass and trees have died. The Dutch have rebuilt the dykes and drained the water. But these rich little farms today might as well be in the desert. The salt sea has destroyed them.

I mention this because it is just another phase of what we are seeing every day—waste and destruction—covering a continent that has to undo, over the next century or two, the frightful havoc wrought by war.

• • •

Black Market Is Everywhere

With a free morning in Brussels, we ventured forth to shop. Brussels is supposed to be the one city of plenty in all Europe. It has nearly everything, food, clothes, leather goods, jewellery, etc. Perhaps the abundance is superficial. One notices that the stock inside the shops is not so plentiful as what one sees in the windows. And prices are uneven—some high, some low. In the following list, I do not distinguish between legal and black market prices, since the black market is everywhere:

American cigarettes (20) ...	$ 1.25
Nylon stockings	13.75
Ladies' gloves (leather)	7.50
Man's shirt, poor quality.....	5.00
White linen bag	12.00-18.00
Man's tie (silk)	7.00
Champagne	up to 25.00

One can buy good Swiss watches from $15 up; and bedside clocks in leather from $5 up.

Clothes require coupons. But the coupons can be bought at $2.50 per 100 from the cigarette peddlers. (They buy them from the farmers who do not use them all). It takes 20 for a man's shirt. I tried to buy a pair of women's shoes and found I needed another kind of coupon. So I sold the balance of my coupons to a South African who needed a shirt. The shoes were of inferior leather, anyway, badly made.

Belgium is going out strongly to regain its export trade. It has just decreed a 10% cut in all prices, because it found the United Kingdom was gaining an advantage. Belgium is getting its factories back into production; the people are hard at work. But the better merchandise is apparently going for export. Practically all the good things I might have bought in the shops were either French or American.

• • •

Currency Problem Not a Simple One

Before leaving Brussels we were "briefed" on the capture of Antwerp and the clearing of the Scheldt. Our army briefing officer is 35-year-old Brig. David Belchem, a brilliant soldier who makes the story clear and simple. He was Monty's BGS (Ops.) — that is, staff officer in charge of operations—from Alamein until the other day when Monty left to become CIGS. Then we covered the whole area by air, coming on to Eindhoven, a neat and tidy but very modern industrial town, by early evening. Thus, one starts a brief diary note in the air over one country, zig-zags across it and another country, and ends it in the second country. Fortunately, we are not bothered by customs officers, immigration officials, etc. But each day for three days now, I've done business in a different currency and tomorrow I'll be dealing in a fourth. My wallet is filled with dirty paper. Altogether I have currencies of seven countries with me and I confess to some minor confusion.

My hotel room has no glass in the windows (but as the temperature is near 100, that's a relief). There's a jagged crack, some inches wide, down one corner. But most of Eindhoven is intact. We saw some towns where not even a rat could find a hole in which to live.

Within a few minutes after arriving, I was talking to an architect and a university professor. They agreed on several points: that Netherlanders are fond of Canadians; that "half" the people of Holland would like to move to Canada; that Holland is recovering quickly by hard work; that the efforts of the Communists to disturb production by strikes have been beaten off because the people don't believe in Communism or Socialism, but think that their future depends on how much industry they apply to their jobs.

As we go east, food becomes scarcer. The Dutch are not starving, but like the British, they do not really get enough to eat. Clothes are difficult; if a man buys a new suit he gets nothing else for a year. Prices are high but not fantastic. The cigarette ration is 40 a week for men, 20 for women. Men also get 10 cigars a week. Cheap, but frightfully poor quality. Soap is available, but scarce. There is chocolate enough for the kids in the family, but not for adults.

My Dutch friends had only one note of disappointment about Canada. The Dutch people write to their friends, the former Canadian soldiers. But the letters from Canada are dwindling. Young Canadians are forgetting their promise to write. The letters are missed. There is a tremendous affection here for the men of Canada's fighting forces.

• • •

Food Situation Better—Not Good

ARNHEM.

FRIDAY — This is a country of very fine people. One falls in love with them at once; they are neat, industrious, honest, full of buoyant good spirits. Their clean, tasteful architecture reflects something fine in their character.

Last night I went out in the heat to find a cool drink. I sat down in a sidewalk cafe and soon struck up a conversation with an attractive married girl. Her husband joined us later. From them I found out how the people live. The food situation is getting better but that is only in a comparative sense. Under the Germans, the Netherlanders had an ill time, but they fought the enemy with sabotage and nonco-operation. The ration of meat is one pound every two weeks. Until recently it was 1½ oz. a week. Bread is short. Potatoes are scarce. Butter ration is ¼ lb. a fortnight plus ½ lb. of margarine. There has been no sugar for 6 weeks. Only 1½ litres of milk is allowed per week. There is one egg a month for children, none for adults. Chocolate totals 1 oz. a week. "But we never complain," said my friends. "We are so happy to be liberated from the Germans. We love the Canadians, every Canadian; they liberated us from horror."

Today at the Nijmegen bridges, we stopped for a haversack lunch. Soon we were surrounded by dozens of happy youngsters; neat, healthy looking, well mannered, most of them speaking excellent English. Three charming girls—19, 20 and 21—asked me about Canadian soldiers they had met. I was sorry I did not know any of them. But they remembered the names of dozens. One girl had an attractive sweater; I asked her where she got it. She had knitted it from Canadian army socks. Another girl was wearing a very nicely cut printed chintz dress. I asked her about it. She told me it was pre-war; and showed me a three-inch band of white cotton inset near the lower hem. I had thought it was part of the design. But it was the device she had used to lengthen the dress as she grew from girlhood to young womanhood during the occupation.

• • •

3,000 Men Died In Brief Struggle

Later in the day we visited the airborne cemetery near Arnhem where lie 3,000 men who had died in that short, bitter struggle. We were already much moved emotionally after having covered the ground at Arnhem and seen something of the gallantry and horror of that costly gamble that failed to come off. Then at the cemetery we found several Dutch women and a dozen youngsters tidying up and decorating the graves. Each person—man, woman and child—in the village of Oosterbeek (the spot where the few survivors of Arnhem escaped) has "adopted" a grave.

I got into conversation with a very beautiful woman of 40 or so who was watering the flowers on the grave of a British colonel. She told me her story. The British parachute troops had set up a field casualty station in the cellar of her home. She and her mother were helping to look after the wounded. The colonel was being operated on, when a German soldier threw a hand grenade into the cellar. The colonel was killed; this woman's left arm is paralyzed for life; her mother is now totally blinded; her husband's kneecap was smashed. Last week she took a photo of the grave and last night sent the print to the colonel's young widow in England, asking her to be her guest when she could come to Holland.

She pointed to the rows and rows of crosses. "These boys are our boys," she said. "We lived in hell together for five days. We shared our food and we fought the Germans together. They came here to liberate us and we shall never forget them."

• • •

Recall Heroism of Paratroops

Today we covered one of the most interesting operations of the war. In September, 1944, the Supreme Command decided to attempt a Rhine crossing by air in the north where the Siegfried line could be bypassed and where the Germans least expected an assault. The Americans and British dropped tens of thousands of airborne troops in a 60-mile salient stretching north to Arnhem. It was a dangerous operation. If the Germans pinched off the troops, there would be great loss.

There were several major waterways—wide canals, the Maas (Mense River), the Maal (the major branch of the Rhine), and the Lower Rhine. The objective was to seize all the bridges intact. Once the paratroopers and glider troops had dropped, the Guards Division smashed through the corridor and fanned out on all sides. As we saw what had been accomplished we were amazed at the obstacles overcome and the great bridges seized with such amazing gallantry before the Germans could blow them.

But the world has heard most of the last and only unsuccessful phase of the plan, the Arnhem bridgehead where 11,000 airborne troops landed and only 1,000 were finally evacuated, plus a few hundred spirited out later by the Underground. Arnhem was a great disappointment. Had we held the bridgehead, we could have shortened the war by months. Today, however, our only thought was of the heroism and sacrifice of the British airborne troops who undertook the gamble. Parachutes still hung, tattered, in the trees; supplies lay scattered around the ground. Arnhem itself, once a rarely beautiful city, is a ruin. It was, all in all, the most moving experience we've had.

After Arnhem we drove on to Utrecht for tea and a brief tour around this ancient city which has more canals than streets. Then 60 miles back to Eindhoven by the road used by Germans in their final retreat. They left not a single bridge. In this land of canals one cannot travel without bridges. The British army put "Bailey" and pontoon bridges in. But 60 miles over temporary military bridges is slow work.

Today I saw several women wearing silk or nylon dresses of khaki, orange or white. When the paratroopers came down they rushed out, rescued the parachutes and, with true Dutch thrift, made clothes for the family.

In Nijmegen, a young British officer told us how the citizens put out fires in their houses when they took fire during the bombardment. The water supply had failed. They rushed to the cafes, filled their pails with beer and hurried home to dash it on the flames!

New British Craft Carries 4-Ton Load

MONTREAL (Staff) — Canadian freight shippers, airline officials and businessmen will soon see Britain's new "tramp ship of the air," the Bristol Freighter, due here early in August for an exhibition tour of 25 Canadian and U. S. cities. Developed by the Bristol Airplane Co., Bristol, England, the cargo-carrying plane is powered with two Hercules engines and emphasizes utility and economy of operation rather than high speed and elaborate equipment.

The North American tour is being handled by British Aeroplane Engines Ltd., Montreal, North American agents for the Bristol Co. Following this the plane will cover Central and South America in a program to develop an overseas market for low-cost British aircraft.

The new cargo plane is said to be designed to land and take off within small areas—650 yards on takeoffs and 700 yards on landings, clearing a 50-ft. barrier. Specially designed to carry four- or five-ton loads for distances of 300 to 500 miles, its maximum range with a four-ton payload is said to be approximately 700 miles at 150 miles per hour, carrying a 60% reserve of fuel. Without a fuel reserve, the range with four tons of payload is understood to be increased to 1,100 miles.

Minimum operating costs, with maximum payload possibilities, feature the plane's performance and all extras, such as retractable landing gear, have been eliminated in the interests of economic operation, it is said. Door sills are only 4½ ft. from the ground to facilitate ease and speed of loading. The floor has been specially strengthened so that it can support the weight of a three-ton truck, bull-dozer or other heavy equipment. Pilot and navigator are seated above the body of the fuselage, the freight doors giving access to the full width of the hold.

J. N. Baird, president of British Aeroplane Engines, will accompany the plane on its North American flight.

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A number of Canadian Corporations have called for redemption their bonds and preferred stocks by August 1st, next. Among these redemptions are the following:

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Silverwood Dairies Limited	6%	1966	July 31	100	$1,450,000
Goodyear Tire and Rubber Co. of Canada	5%	Preferred	July 31	52½	5,458,100
Dupuis Freres Limited	6%	Preferred	July 31	110	1,595,500
Anglo-Canadian Telephone Co.	5½%	Preferred	Aug. 1	55	4,130,000
Avalon Telephone Co., Ltd.	4½%	1958	Aug. 1	102½	752,000
Canadian Vickers Ltd.	6%	1947	Aug. 1	101	2,363,500
Dryden Paper Co. Ltd.	6%	1949	Aug. 1	101	787,500
Hydro-Electric Power Comm. of Ont.	3%	1948	Aug. 1	100	12,500,000
Montreal Dry Docks Ltd.	6%	1948	Aug. 1	100	452,500

To maintain steady income, attention should NOW be given to the replacement of these securities with others which offer safety of principal, fair return, and marketability.

For the re-investment of proceeds from the above, or other redemptions, we will be glad to suggest a list of securities suitable for your own particular requirements.

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These Debentures having been sold, this advertisement appears only as a matter of record.

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Trustee: Chartered Trust and Executor Company

In the opinion of counsel these Debentures are investments in which The Canadian and British Insurance Companies Act, 1932 (Dominion) states companies registered under it may invest their funds.

These Debentures are direct obligations of the Company but are not secured by hypothec, mortgage or other charges. A circular descriptive of the issue, copies of which are available upon request, includes an outline of the special protective provisions of the Deed of Trust, a Pro Forma Balance Sheet of the Company and a Ten-Year Earnings Statement.

This issue is to provide in part funds to reimburse the Company for expenditures in redeeming all of its presently outstanding $13,200,000 Debentures maturing September 15, 1946 to June 1, 1955 inclusive called for redemption on September 3, 1946 and the balance for other corporate purposes.

PRICES
2¼% Debentures: to yield 2.25%
2⅞% Debentures: to yield 2.80%

We, as principals, offer these Debentures if, as and when issued and accepted by us, subject to the approval of all legal details by Messrs. Lash & Lash, Toronto.

It is expected that Interim Debentures will be ready for delivery on or about September 3, 1946.

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Brazil Tired of Being 'Country of the Future' Seeks New Trade Channels to Speed Her Recovery

Brazilian Trade Emissary in Toronto Seeks Canada's Co-operation in Building Hemisphere Trade; Wants Many Commodities

Canada's search for markets in South America is beginning to meet active response in Pan-American countries. That appears to be the significance of the arrival in Canada last week of Augusto Frederico Schmidt, commercial director of Brasil-Canada, as a trade emissary for Brazil. While he is not a government official, his visit is probably significant to trade relations between the two countries.

Brasil-Canada S. A. Industria e Commercio is a new Brazilian company, formed to consolidate trading facilities for business and industrial interests of that country. Mr. Schmidt told The Financial Post this week, he hopes to accomplish two things: (1) to establish direct connections between Canadian manufacturers and Brazilian firms; and (2) to interest Canadians in formation of an organization similar to Brasil-Canada to perform the same functions in Canada.

Six Companies Linked

Brasil-Canada, with capital of $100,000, heads up a group of six associated companies, all bearing the same name plus the names of the cities in which their headquarters are located. Each of these is also capitalized at $100,000. In this way, Brazil is divided into six economic zones for purposes of concentrating development of the industries and resources peculiar to each.

Headquartes are located at Rio de Janeiro. Another company is situated in Sao Paulo, centre of the country's most important industrial zone. The Minas Gerais company is heading up the country's mining interests. The Porto Alegre company represents industries located in the most southerly part of the country. The company at Curitiba is concerned with the lumbering and newsprint industries, as well as the maté industry peculiar to Brazil. In the north, another company at Recife is mainly concerned with sugar production, the cotton textiles industry and agricultural products of the northern states.

Is Businessman—Writer

Mr. Schmidt is one of Brazil's influential businessmen with a wide variety of interests (textiles, newspapers, insurance, exporting and importing), and is likewise well known in literary circles of his country. Brasil-Canada includes among its partners and directors, men of considerable influence in various branches of Brazilian life, such as finance, industry and important newspapers.

With the help of the Brazilian Trade Bureau at Ottawa, headed by Miranda Neto, which has been functioning about a year, Brazilian-Canadian trade relations are being actively encouraged. The utmost co-operation can be expected from both the Brazilian ambassador, Acyr Paes, and the new commercial counsellor in Ottawa, Caio Lima Cavalcanti.

In return for the help Brazil hopes to get from Canada which will enable her to develop her industrial potentials, Brazil intends to make available to Canada raw materials, goods and produce which are not available here, or are in short supply.

He said Brazil's new interest in international trade stemmed from the growth of a new spirit in the people themselves.

"My generation is tired of hearing Brazil called 'the country of the future,'" he said. "We want Brazil to be the country of the present. We have just emerged from a period of political mistakes and technical errors and we are correcting these mistakes now. Today Brazil is a democracy of the best kind and its upper and lower houses are drafting a new constitution which will be liberal in every respect.

Need Collaboration

"What Brazil needs most today is friendly collaboration of foreign countries, willing to help in her economic development. In return, Brazil will be supplying friendly nations with many products which she alone has in abundance. Brazil's heart is set on participation in a policy of continental and hemispherical peace."

Mr. Schmidt praised Canada's ambassador in Rio de Janeiro, Jean Desy, for his work in developing interest in Canada among Brazilians. "He is everywhere and he knows everybody," Mr. Schmidt said. "The Canadian ambassador's face is seen more often in more Brazilian publications than that of any other diplomat. He is a diplomat who has done more for his country than any other envoy in the history of Brazil.

"I wish that Canadians knew as much about Brazil as Brazilians know about Canada. In Brazil today, Canada is a very great presence. There is much gratitude and admiration felt for Canada and the Canadian people—a large part of this feeling due to the tremendous work of the ambassador."

Machinery Worn Out

Mr. Schmidt explained a peculiar problem confronting Brazil, arising out of her efforts during the late Vargas regime to increase her exports. During the war she redoubled her production effort to make war materials. But these exertions overtaxed machinery in practically every branch of industry, with the result that a high percentage of it is now badly in need of replacement. Before the country can do much about making itself "the country of the present," she must get her industrial machinery in good condition again and buy a lot more of it.

Similarly Brazil's railway system, never adequate (about 22,000 miles) for a country larger than the United States and with a population of 45 millions, has been overburdened. Rails are worn out, there aren't enough engines and what there are, are getting beyond repair. The system has to be enlarged and practically everything which goes into the making of a railway has to be imported.

Topography has hindered development of Brazil's highway system and hence of the hinterland; and to overcome this, the country must have road-building machinery. She has to import all the heavy equipment needed for this work.

Thus Brazil is interested in buying from Canada a wide range of industrial machinery, machine tools and motors, railway engines, cars and equipment, and road-building machinery. In addition she wants all sorts of other materials, raw and fabricated. She asks for "all types of machines, installations, instruments, gadgets, etc., requiring constant replacement of parts and accessories such as pumps, valves and axles, fountain pens and inks, pencils and leads, sun glasses, cameras and films."

Many Wares Scarce

Some of the goods Brazil would buy are not likely to be plentiful here for a long time. Building materials, for instance, aren't in sufficient supply to meet Canadian domestic requirements. Brazil lists insulating materials, roofing materials, waterproofing materials, paints and pigments, synthetic flooring compounds, and refrigeration equipment; also prefabricated houses and prefabricated parts.

Canadian-built automobiles are more costly than those made in the United States, so Brazil is not much interested in passenger cars. But she is in the market for trucks and trailers, mechanical and hydraulic hoists, battery chargers.

An unusual demand is for a chemical road-hardening compound of a type which, mixed with water and spread on dusty soft-surfaced roads, hardens on drying to make a road capable of bearing medium traffic for six to eight months.

Although Brazil has some of the world's largest bauxite deposits and great potential sources of hydro-electric power, she produces relatively little aluminum. A large aluminum reduction plant has been built but is not in production. In consequence, Brazil will buy aluminum products including prefabricated aluminum window frames, cabinets, roofing and insulating sheets.

Wants Furs, Canoes, Radios

Goods which Brazil expects Canadian manufacturers will be interested in selling her include all types of laminated and pressed plywoods and wood residues, newsprint and coarse and fine papers of all kinds, furs, canoes, and war surplus goods from WAC, especially trucks, cars, parts and accessories.

Canada's aviation industry will be asked to supply Brazil with "tourist," land and amphibian aircraft, plus aircraft parts and accessories, electronic systems and instruments. Other wares sought include radios, electrical appliances, and fluorescent lighting equipment. But there is not likely to be a heavy demand for foodstuffs, other than for preserved fruits and prepared and packaged foods. On the other hand, Brazilians like Canadian rye and are in the market for it.

Hospitals and the medical profession in Brazil rely upon other countries for much of their equipment. They need surgical and medical instruments, portable X-ray machines and film, oxygen units, scalpels, electrical recording machines and diagnostic instruments.

Heavier industries in Brazil are short of saws, welding equipment, bearings and beltings, hoists and cranes, drill presses, buffers and compressors, chains and cables, nuts and screws, stationary engines, high capacity pumps and equipment for water systems, woodworking machinery. Her merchantmen and small vessels need paint and pumps and engines and some buyers are seeking fishing craft. Her businessmen want business machines and control systems.

Canada hopes to hit an export trade target of $1.75 billions yearly. Brazil is taking only a small part of this as yet, but the trend is definitely toward a much larger share. Last year, Brazil imported nearly $16.75 millions worth of goods and materials from Canada, more than double the 1944 figure of $7.32 millions. Canada's imports from Brazil in 1945 totalled $7.6 millions, and in 1944, $7.2 millions. Both sets of figures are far ahead of pre-war record. Up to 1939 Canadian exports to Brazil averaged about $4 millions and imports less than $1 million.

To the end of April this year, Canada has received from Brazil $4.15 millions worth of goods, raw coffee being the biggest single item (6.72 million lb. worth $1.18 millions). Before the war, most Brazilian coffee used in Canada came through the United States. Brazil is now exporting this commodity direct to Canadian processors. In addition to coffee, Brazil hopes to develop a Canadian taste for maté, a beverage very popular with Brazilians and growing in popularity in the United States. It is something like tea, has the distinguishing characteristic of being highly nourishing.

Vegetable oils and waxes bulk second in value of Brazilian goods brought into Canada in the same period (nearly 700,000 lb. worth $733,905). Other major items include:

Cotton and cotton linters (4 million lb. worth $718,000); nuts ($165,000); diamonds ($111,000); castor oil (1,400 tons worth $416,000).

Steel Earnings Hit If Wages Up

MONTREAL (Staff) — Current shutdown of Canadian steel manufacturing operations brings forcibly home to the steel investor just how vulnerable this industry is to wage increases. In the United States, and the same is undoubtedly true in Canada, direct labor costs (salaries and wages paid out) represent 45.4% of net industry sales and place the steel industry in the category of one of the highest labor cost industries. It is evident therefore, that the impact of wage increases on the steel industry will be more serious from an earnings point of view than a similar increase, for instance, in the oil industry, where wages represent less than 20% of net sales.

P. L. ROBERTSON MFG. CO. retained net profit for 1945 was practically the same as that for the previous year, a substantial reduction in income taxes offsetting a decrease on operating profits. Shortage of materials, and the attempt of industry to get into production at the earliest possible moment, resulted in a heavy and urgent demand for company products, which more than offset shrinkage of wartime requirements.

The outlook seems to be for a continued and unprecedented demand for the company's products, and indicates the necessity for further expansion by addition to both plant and machinery as soon as possible, Secretary Roger H. Ptolemy states.

INCOME ACCOUNT

Year Ended Dec. 31:	1945	1944
Net oper. profit	$481,459	$524,444
Less: Deprec.	14,280	19,683
Income taxes▲	297,794	335,505
Net profit*	169,385	169,256
Less: Pref. divids.	14,423	15,015
Common divids.	120,120	120,120
Surplus for year	34,842	34,121
▲Incl. refund. EPT	38,891	46,205

*Note: Co. includes ref. EPT in net profit and surplus for year.

Earnings per Share and Dividend Record:		
Pref.: Excl. ref. EPT	$30.93	$28.18
Incl. ref. EPT	38.03	35.87
Paid	2.50	2.50
Com.: Excl. ref. EPT	2.58	2.57
Incl. ref. EPT	3.23	3.34
Paid	2.00	2.00

CONDENSED BALANCE SHEET

As at Dec. 31:	1945	1944
Cash	$201,243	$297,224
Accts. rec.	90,483	84,551
Investments	647,880	572,757
Inventories	288,688	256,720
Total current assets	1,228,294	1,211,252
Misc. assets▲	228,754	168,991
Fixed assets	637,728	621,483
Total assets	2,094,776	2,001,726
Accts. and taxes pay.	241,983	209,847
Uncl. & pay. divds.	33,453	33,784
Total curr. liab.	275,436	243,631
Deprec. reserve	514,490	505,818
Capital stock	279,140	300,300
Earned surplus▲	1,025,710	951,977
▲Incl. refund. EPT	207,882	168,991
Working capital	952,858	967,621

STANDARD RADIO LTD. net profit for the fiscal year ending Mar. 31, 1946, shows little change from the previous year.

INCOME ACCOUNT

Years Ended Mar. 31:	1946	1945
Total earnings	$95,402	$95,402
Less: Expensse	4,517	5,516
Income tax	3,000	2,500
Net profit	87,885	87,386
Less: Dividends	86,000	86,000
Surplus for year	1,885	1,386
Earnings per Share and Dividend Record:		
Cl. "A" and "B"	$0.408	$0.406
Paid	0.40	0.40

CONDENSED BALANCE SHEET

As at Mar. 31:	1946	1945
Cash	$99,392	$95,434
Invest. in subs.	320,305	320,305
Misc. assets▲	179	1,054
Fixed assets♦	418	501
Total assets	420,294	417,294
Accts., tax., etc., pay.	25,839	24,375
Capital distrib.	1,023	1,374
Total curr. liabs.	26,862	25,749
Capital stock	320,305	320,305
Surplus▲	73,127	71,240
▲Incl. ref. EPT	179	179
♦After depr. of	418	334

LEXINDIN GOLD MINES reports exploration under way on Leta and Felix properties in Yellowknife area, N.W.T. Drilling has started on Leta group to explore possible extension of the Diversified structure under the Leta arm of Indin Lake. Additional exploration is to be carried out on Felix group before drilling commences.

This advertisement appears for informational purposes only and does not constitute an offering for public subscription within any Province of Canada.

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July 18, 1946

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The new longer mileage Silvertowns are made in different types of tread design . . . including the famous Life-Saver Tread that wipes wet pavements dry . . . and the Road-Level Tread that puts a wider, flatter rubber surface on the road to share the burden.

For more mileage and greater safety, get the New Silvertowns . . . the greatest mileage tires of all time . . . built by B. F. Goodrich, makers of over 32,000 articles in rubber, including footwear and industrial rubber products.

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SILVERTOWN TIRES

The Financial Post
Vol. XL | Publication Office: Toronto, July 27, 1946 | No. 30

Sale of Fleet Aircraft to Vincent Augurs New Industry for Canada

Orders totalling $25 millions and a brand-new Canadian export industry are being engineered by Norman Vincent, president of Vincent Mining Corp., Toronto, and his associates. The group has been gradually acquiring stock of Fleet Aircraft, Fort Erie, Ont., and this week was in a position to offer other shareholders $9 per share or two shares for one in a new company, Fleet Manufacturing Co., conditional upon acquiring control. The offer went out in a letter to the 1,500-odd shareholders with the approval of Fleet Aircraft directors.

Fleet Manufacturing will hold world rights to a light-weight, aero-designed, plywood "CabinCar." The CabinCar will be built to sell for $695—about one third the price of such trailers today. Over-all measurement is 6 ft. by 11 ft. Weight and balance are designed to make it an easy towing job for any automobile, and reputedly practicable even for a motorcycle. Plans are to ship CabinCars in knockdown form at Fort Erie, and assemble it at strategic sales points throughout the United States.

Mr. Vincent declares a first order for immediate delivery of 10,000 CabinCars has been settled with R. S. Evans Motors Inc., New York, and another 50,000 are wanted, if the Fleet plant can turn out 10,000 units a year. Evans has offices in nine cities across the United States, and more than 80 retail sales outlets. Other orders for CabinCars are in sight, Mr. Vincent said, and company engineers are already planning Fleet production on additional lines, such as plywood automobile bodies for station wagons.

To Carry Former Lines

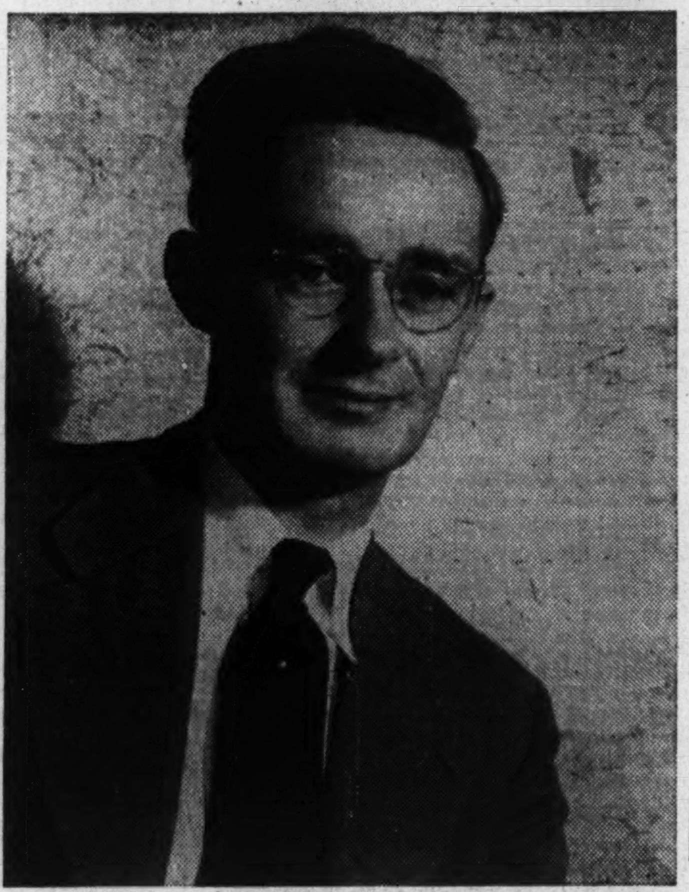
"We plan to continue the present Fleet management, personnel and policies," Mr. Vincent said, "and will carry on regular aircraft production in addition to the CabinCar and other new lines. It will be the CabinCar, however, that will get major emphasis right now."

Two CabinCar model units have been built in the U. S. by the trailer's inventor, J. A. Holte, a Texas aeronautical engineer. One is on display in New York City, and the other is at Fort Erie under study by Fleet production men. If everything runs on schedule, Vincent hopes to run first 1947 models off the production line before the end of this year.

Fleet got its start in 1930 with a 100-acre factory and airport site at Fort Erie, across the Niagara River from Buffalo, N.Y. A small plant was built and 50 acres turned into an airport. Plant capacity was doubled in 1936, redoubled in 1937, and with the war and British Government contracts was further increased. The Fleet plant proper is today valued at about $1 million, the Crown-held plants adjacent at another $3 millions. Vincent, through his new company, will get the Fleet plant, plus a year-to-year lease with option to buy, on the Crown property.

Unprofitable Operation

This year Fleet converted from its wartime role as a maker of components for Lancaster and Lincoln bombers and the Fairchild "Cornell." Its first postwar effort is the "Canuck," a two-seat personal plane. In his annual report, presented in April, President E. G. Smith said it was not likely that 1946 operations would be profitable, due to the heavy expense of reconversion and the higher costs of initial production on new types of aircraft.



MR. VINCENT

Annual report listed working capital at the end of 1945 of $1,933,391 (at end of 1944, $2,020,342); net operating profit for 1945 $297,793 (in 1944, $361,160); net earnings for 1945 $279,894 (in 1944, $329,128). Earnings per share in 1945 were 84 cents, as against 98 cents the previous year. Dividends totalling 75 cents per share were paid during 1945, none in 1944, 25 cents per share in 1943.

Fleet Aircraft, through its association with Consolidated Vultee Aircraft Corp., owns rights to Fleet training planes, all current Consolidated Vultee training models (outside the U. S.), manufacture and sale in British countries on a royalty basis of all planes now manufactured or which may in the future be designed or developed by Consolidated Vultee (to the extent these may be released for such British manufacture and sale by the U. S. Government). By assignment from W. J. Sanderson, the company also holds Canadian rights for "Waco" airplane distribution.

Fleet Aircraft personnel currently numbers about 500. At its wartime peak it reached 3,000. Vincent plans for the company call for a bigger payroll.

How Vincent Empire Grew

Control of Fleet Aircraft, Fort Erie, Ont., will raise to seven the number of industrial operations controlled by Vincent Mining Corp. It will tip the balance increasingly away from mining properties and toward industrial investment.

At the annual meeting last April 30, president Norman Vincent reported the company's $3 million holdings to be approximately 75% in mining, 25% industrial. Since that meeting, Vincent has acquired control of Bickle-Seagrave, Woodstock, Ont., manufacturers of fire-fighting equipment and pumping apparatus. This week the company is moving to take over Fleet, and to create another Canadian and an American subsidiary under the name of Holte Motors.

Four of the Vincent industrial companies are now in production—Mica Co. of Canada, Canadian Anodized Products Continental Coal Corp. and Bickle-Seagrave. Two more, Maxson Food System and Universal Insulations, are slated to start soon.

During 1945, Vincent incorporated seven mining companies, raising the total to 23. Properties in Malartic, Vassan, Benoit, Cuvier and McKenzie townships, Quebec, were staked last year; and in Ontario "a substantial share interest" was acquired in Silver-Miller Mines, Cobalt, and groups of claims in the Rush Lake and Steep Rock areas were added. Geophysical surveys were made in a number of properties in the Malartic district, including Hugh Malartic, Citralam Malartic, Vinray Malartic and Bradnor Malartic; and on Beaudelair Mines in the Noranda-Rouyn district. Vincent interests also reach into the Louvicourt-Bourlamaque and Pershing areas.

Development work in the mining division is headed by C. O. Stee, chief engineer and a Vincent director and vice-president; and W. N. Rook, another director, is general manager of the industrial division. Other officers are: R. L. LeLiever, secretary-treasurer; and Glen M. Wilton, Robert Hughes, and F. R. Guptill, directors.

B. C. Group Announces Order For 10,000 British Prefabs

From Our Own Correspondent

VANCOUVER (Special)—C. B. K. VanNorman, architect, has returned from Britain where, he reports, he closed a deal to manufacture cedar panel components for 10,000 prefabricated houses to be shipped from here in the next seven years. Mr. VanNorman says components for "several hundred" of the houses will be shipped before year end.

In a demonstration leading to the present order, six houses made by Prefabricated Buildings Ltd., near New Westminster, were shipped to Britain, and two of them erected in Burton town. They are two-story duplexes in three style variations and with individual heating.

But, although VanNorman's Prefabricated Buildings unit has had a good reception, there seems to be some doubt about import licenses. Chancellor of the Exchequer Hugh Dalton a few days ago told a questioner in the British Commons that licenses had been issued for import of only 250 timber-framed houses from Canada, valued at $1,900 each or total of $475,000. Then, reportedly, in apparent self-contradiction, Dalton said that though it had been decided no further licenses would be issued, further applications would get "sympathetic" consideration. Clarification of this point is awaited here.

Unexplained obstacles meanwhile have delayed plans of George Murphy Associates, Portland, Ore., to convert the Canadian Pacific Air Lines plant near New Westminster for manufacture of plywood prefabricated houses. Reports indicate the Dominion Government blocked the transaction. Whether or not this is true, Mr. Murphy has not been here for several weeks and no one seems to know the present status of the deal.

Norman Vincent and 'Vincentive' Built Newest Industrial Empire

Norman Vincent, meteoric comer in Canadian mining and industrial worlds, sits in the driver's seat of more than two dozen companies today because he has plenty of "Vincentive." That's a word coined for the title of Vincent Mining Corporation's new house organ. It's also the only word to describe the peculiar drive behind the slight frame of this 41-year-old dynamo who this week is surveying an industrial empire built in scarcely four years.

The best definition of Vincentive is the man himself, and this brief snapshot of him, snatched between phone buzzes in his Victory Building beehive in downtown Toronto.

No time for lunch, boyish-built Vincent eats at his desk. Typical menu: a salmon sandwich, washed down with a paper cupful of coffee, topped off with a cigar. Typical dining posture: leaning back in his swivel chair, propping two neatly shod feet on the corner of his desk, and spreading an office linen towel across his well-pressed beige suit. He doesn't stop munching, even when he answers the telephone.

It was when London-born Vincent switched to a technical education that his interest in geology first appeared. He went into training to be a mining engineer, but had to give up after two years' study when his father, a British Army officer, was killed in France. Left virtually penniless, a daring 18-year-old came to Canada with a group of Dr. Barnardo's boys. He landed at Quebec City, in 1923, with £2 in his pocket. For about a year he stuck to the job he'd been found on Bill Lamb's farm near Port Perry, Ont., then he decided $10 a month wasn't enough pay and struck out for Toronto.

A Grubstake Started It

Until 1942, Norman Vincent was just another English-born Canadian. He'd had his ups and downs in Toronto's smaller business circles. He'd lost a little money—all he had, by the way—and earned a little more. He'd always hankered after the life of a mining engineer; but he'd pretty well given up the dream by the time a smart-talking prospector touched him for a few hundred dollars' grubstake in the Little Long Lac boom of 1934. That touch, and his curiosity about what was happening to his somewhat injudicious investment carried him up to the mining country.

For a time Vincent kept his left hand tinkering about, trying to organize a syndicate and to develop a mining property while his right hand, back in his novelty manufacturing business in Toronto, was supposed to feed him. The result was that he nearly starved. His solution was to let go the novelty business and dig into prospecting with both hands.

Vincent's prospecting took two directions: on the ground and in his mind. He roughed it in Ontario's northern bush country, cutting wood and slugging in a lumber camp when his resources ran out. He also dug into textbooks on mining and geology, and when he was nearer to civilization, took what night courses he could find on prospecting.

Seemingly gifted with unusual foresight, Vincent started looking for strategic minerals about two years before World War II. He was sure it was coming, and equally sure that it would be a long struggle in which minerals such as molybdenum (used in steel alloys) and manganese would prove vital. The Canadian public was sceptical of molybdenum ventures as late as 1939, and Vincent wasn't too successful in his search for manganese; but in mica he made his strike. One of the first on the site of the Purdy mica mine, Vincent staked his claim and hurried to sell the late J. P. Norrie on his find. Shares from his prospector's interest in the mine brought Vincent his first big money.

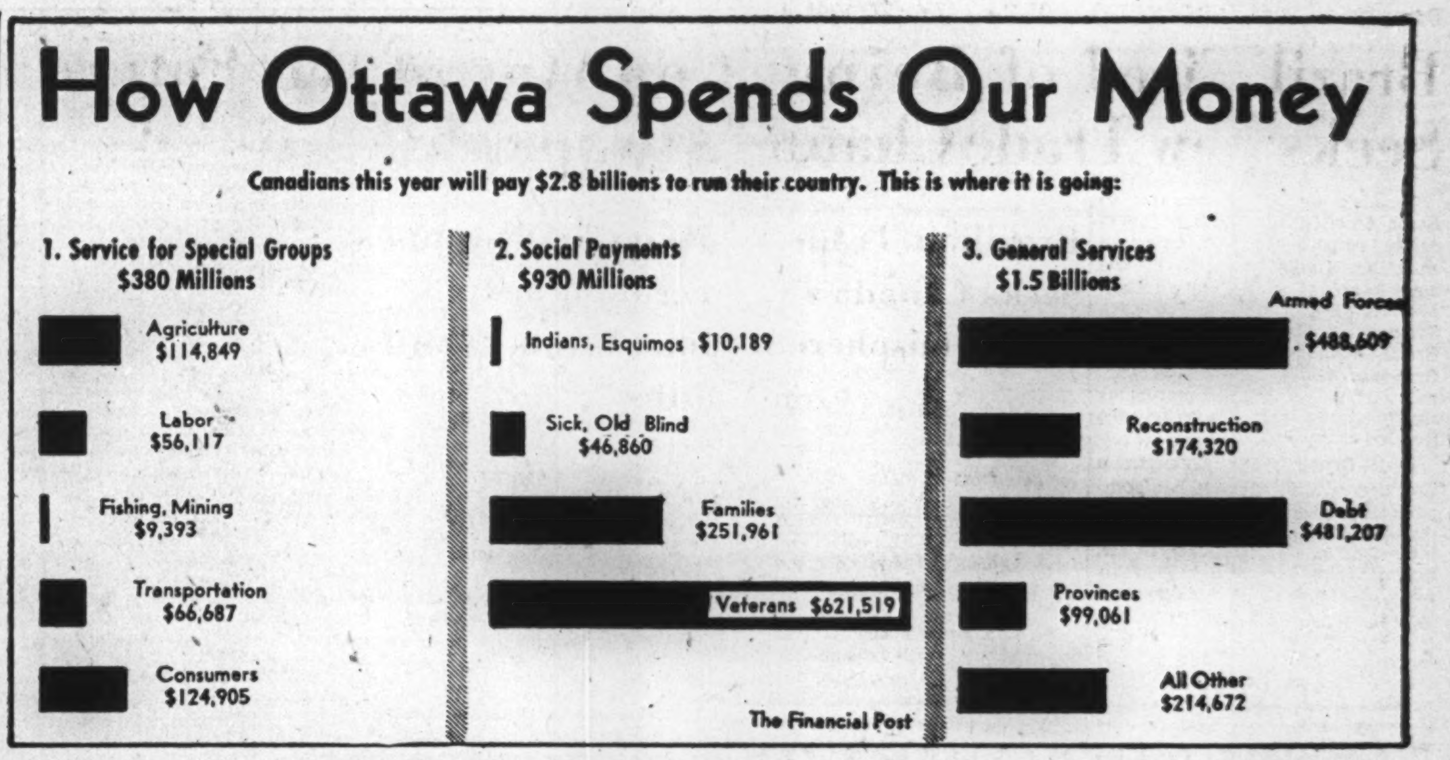
Mica Was the Cornerstone

Mining mica was the least part of the job; so he dug into his textbooks again to learn about processing and marketing. The result was his purchase, in 1942, of Mica Company of Canada, first possession in the Vincent industrial empire.

That's how Vincent stepped from mining into industry; and that's how Canadian industry had grafted onto it the miner's idea of prospecting. The president of Vincent Mining Corp. has retained his prospector's eye for gold. He's ever on the lookout for individuals or small Canadian companies with a good idea but no backing; and if he sees gold in it, he's willing to grubstake the enterprise.

"Pioneering is just as necessary in industry as in the bush," 41-year-old Vincent told The Financial Post. "If this country is to go ahead we've got to have venture capital to put into industry as well as into mining. But the average broker won't touch a youngster with a million-dollar idea. My door's always open to him."

How Ottawa Spends Our Money



Economy Might Begin on Special Groups Who Get 23% of Dominion's '46 Budget

By W. BRUCE MACKINNON
Maclean-Hunter Editorial Research

Some of the most valid criticism that has been showered on Rt. Hon. J. L. Ilsley's first peacetime budget has been pointed at the lack of economy.

But after the initial broadside, Opposition critics didn't fare so well when it came to the pin-point targets. Just where were the cuts to come?

J. M. Macdonnell pointed to swollen civil service lists; Alan Cockeram to the excessive brass in the armed forces. But the civil and armed services together only account for about 25% of Ottawa's spending this year, and it's apparent that even a most drastic economy drive in these branches could hardly reduce Ottawa's total spending by more than perhaps 5%.

Those two comments, which were among the best-taken points made by the Opposition, reveal pretty clearly what the taxpayer is up against. For this year at least, any sweeping reductions in spending seem pretty well out of the question. True, the departmental estimates are usualy padded to some extent so that it won't be necessary for departmental chieftains to ask for supplementary funds. That means that some reduction from the original estimates is a distinct probability. As Mr. Ilsley stated: "We have found from experience, however, that there are likely to be savings in any financial program of this magnitude . . ."

Two Hopes for Taxpayer

That leaves two hopes for the taypayer—the hope that the $2,769 millions of spending has been overestimated, and the hope that there will be a good deal of whittling done in individual departments.

But there won't be any slashing.

That's clear from the estimates for 1946-47. The estimates after you've worked with them a bit, show that the great bulk of this year's spending is either glued to the taxpayer by law, or is so full of political dynamite that neither the Opposition nor the Government would dare suggest any serious reductions. If anything, the tendency is to ask for increases.

To digress a moment, the estimates are not a publication which would rate very good marks with an efficiency engineer. Ottawa catalogues its spending by departments, by ordinary, special, demobilization and reconversion and according to whether the payments are statutory or subject to parliamentary vote.

All this is very desirable, but it does not go nearly the distance needed for accurate cost control as applied in business. The head of even a small business wants to know more than which department is spending the money. He wants to know how it is being spent—how much to salaries, travel expenses, materials, etc. He wants to know how much of each bracket of spending should be charged against each product or service he provides.

Statutory Obstacle

So far, Ottawa hasn't turned its statistical machine loose on these important details, although it has done a very comprehensive job of classifying income tax returns.

Something of the way Government spending would look if Ottawa did break down its spending along business lines, is shown in the following appraisal by the Editorial Research Department of Maclean-Hunter Publishing Company Limited.

First obstacle to economy is statutory. Nearly half the spending for the current year is cinched onto the taxpayer with legislation Here is the breakdown:

	$ Thousands	Per Cent
To be voted	1,566,697	56.5
Statutory	1,202,652	43.5
Total	2,769,349	100.0

Repeal Possible, But . . .

About a quarter of this legislative millstone is chargeable to veterans. About 40% goes to meet the charges on the national debt, and another 20% is earmarked for family allowances. The other 15-odd per cent is mainly for ministers' salaries and motor-car allowances, special pensions and such things as annuities to Indians.

It's a mistake to confuse these statutory payments with the temporary spending for demobilization and reconversion. Demobilization spending accounts for over half this year's bill, but only a fifth of this type of spending is in the statutory bin. Here's what the score looks like from this angle:

	$ Thousands	Per Cent
Ordinary & special	1,253,503	45.3
Demob. & reconvers.	1,515,846	54.7
Total	2,769,349	100.0

Nearly 70% Statutory

The important point here is that nearly 70% of the normal spending is statutory. Statutory spending for regular purposes is $876 millions—getting on toward two entire years' spending in pre-war years.

Another thing to watch is the $1.5 billions total for demobilization and reconversion. Just under half a billion of that goes for national defense, a good part of which will have to be continued next year. $525 millions goes to veterans, of which about half is likely to be repeated next year. All told, it looks very much as if at least $500 millions of the billion and a half of demobilization spending will reappear next fiscal year.

(A "normal" postwar budget of $1¾ billions has been predicted unofficially. Dominion-provincial uncertainties have confused the picture, but a budget of around that size would mean a 27% cut in spending. Mr. Ilsley's new tax rates for 1947 will average 23% for individuals and 25% for corporations.)

In other words, next year's income tax rates will account for almost all the savings represented by a "normal" budget, leaving very little to be pared from other federal taxes.

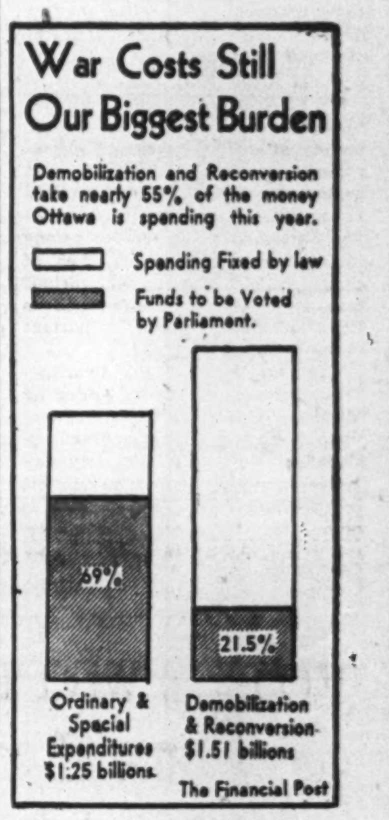
Meanwhile, where is this year's $2.8 billions going? What is Ottawa doing with our money?

Mostly, it's being taken from Peter to pay Paul. Take a look at the breakdown below:

	$ Thousands	Per Cent
Goods and services	1,119,355	40.4
Subsidies	226,067	8.2
Transfers—individuals	1,315,336	47.4
Transfers—governmts.	108,591	4.0
Totals	2,769,349	100.0

"Transfers" High

As the table stands, it shows 51 cents of your tax dollar being promptly turned over in the form of "transfer" payments.



If you make this change and lump together the subsidies and transfers to individuals, and you get this picture of your government spending dollar:

Goods and services to the public	44c.
Transfers to individuals, corporations, etc.	56c.

New dealish economists like to concentrate on that 56 cents which comes right back to the public. It's the basis for the argument that there's no practical limit to the size of the national debt—"we owe it to ourselves, and just pay the interest back to ourselves"—that sort of argument. Follow it far enough and you could pay 100% of your income in taxes and not feel pain.

Of course, the argument doesn't hold water—not for the individual taxpayer at any rate. Those transfers don't come right back to the taxpayer. Many nontaxpayers benefit from such things as the subsidy on flour or the family allowances, for example. Taxpayers who hold government bonds get more back than those who don't. Poor taxpayers get more for their money than rich taxpayers, and so on. Those "transfers" are strictly Robin Hood stuff.

It's pretty hard to tell who has the biggest hand in the handouts. Ottawa's figures miss this rather important breakdown, too. But here's a rough total showing the special groups which get the benefits.

Ottawa's Housekeeping Bill

	$ Thousands
I—SERVICES FOR SPECIAL GROUPS:	
Agriculture (subsidies, services, etc.)	114,849
Labor (National Employment Service)	65,117
Fishermen	4,311
Mining (surveys, etc.)	5,082
Transportation (C.N.R., harbors, canals)	66,687
Consumers (coal and WPTB subsidies)	124,905
	380,951
II—SOCIAL PAYMENTS:	
Indians and Eskimos (hospitals, annuities, schools, reservations and treaty payments)	10,189
Sick, old, blind (pensions and administration)	46,860
Families (family allowances and administration)	251,961
Veterans (gratuities, credits, rehabilitation, pensions)	621,519
	930,529
III—GENERAL SERVICES:	
Armed forces	488,609
Debt	481,207
Reconstruction (war contract clean up and housing)	174,320
Provinces	99,061
All other (justice, Governor-General, RCMP, House of Commons, etc.)	214,672
	1,457,869

Clamp Down on Communists?

The question: Should Canadian Communists continue to enjoy the same privileges and guarantees as other individuals and other political parties?

Prominent Canadian political economists, editors, businessmen, labor men and others interviewed by The Financial Post, agree in effect on this point: Communists are entitled to freedom of speech and action, within the limits of the law; whenever they transgress those limits, they forfeit their individual and collective right. Most of those polled voiced the view that Communism was less dangerous in the open, than if driven underground.

Post Readers Tell How Much Freedom They Believe Communists Are Entitled to in Canada

JOHN ATKINS, Administrator, Publishing and Printing, and publisher and author, Bracebridge.

A democracy cannot discriminate among its citizens, who must enjoy equal rights and bear equal responsibilities. The law should define treason adequately and the law enforcement agencies should be competent. No subversive persons should be permitted to employ undemocratic political means. No citizen should be denied any right nor relieved of any responsibility because of any designation.

• • •

R. P. BAKER, Assistant General Manager, Huron & Erie Mortgage Corp., London, Ont.

When we think of democracy we think of freedom. As individuals, we enjoy a certain amount of freedom and many privileges, but these are limited, since there are laws that govern our behavior. The inseparable companion of privilege is responsibility. Our present economic and political institutions are the product of a long historical evolution under constantly changing conditions of environment. They are obviously subject to further change, but it is the responsibility of this generation to ensure that any such change is for the better. If we value the essential liberties which form the basis of democracy, we must exercise not only vigilance, but wisdom and courage in searching out present weaknesses and systematically correcting them. Therefore, my answer is "No."

• • •

H. G. BERTRAM, President, John Bertram & Sons, Dundas, Ont.

In this freedom-loving country we cannot withhold freedom from any group of citizens. A modern definition of democracy and laws upholding those principles might help the situation; but perhaps the best all-round aid is continued publicity regarding the aims of Communism.

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CAPTAIN R. G. CAVELL, Vice-President, Automatic Electric (Canada) Ltd., Toronto.

I believe that to withhold common privileges from Communists would not accord with our democratic ideals. We must permit freedom of expression within the law to all properly constituted political and religious minorities or we endanger all freedom. Surely the detestable regime of the late unlamented Hitler emphasized that self evident truth if ever it needed emphasis.

I doubt if consideration of Communism as a Canadian problem produces a proper prospective. The test is the ability of our free enterprise system to serve the best interests of the common people everywhere. In the majority, they are Indians, Chinese and other huge population groups new on the threshold of political consciousness. If our democratic way cannot do more for them than Communism, then that creed will inevitably become the pattern for the new world which is emerging.

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M. J. COLDWELL, National CCF Leader.

An old proverb says "Repression breeds revolt." I believe the outlawing of the Canadian Communist party and allowing its leader to reorganize under the Labor-Progressive party label, is simply stupid. This deceived some innocent people. Our best protection against all subversive activities lies in the maintenance of democratic rights of freedom of speech and association. Seditious activities can always be dealt with under existing laws and by our established and traditional legal procedure. Communism, like Fascism, can only develop and flourish in a sick society. Let us make Canada healthy, progressive and free. Then there will be no need to question the advisability of guaranteeing to Communists the same privileges which other idividuals and political parties enjoy.

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GUY S. CUNLIFFE, Associate Editor, Montreal Gazette.

As individuals and as a political party Communists should have the same democratic rights and constitutional guarantees as others. It would be undemocratic and would set a dangerous precedent, to prosecute and penalize, any person or group by decree or some other arbitrary method, merely because they are classed as objectionable. If, however, they violate the law, either as individuals or as an organization, they should be called to account. In the light of the disclosures of the Royal Commission on espionage activities, it would seem a moot question whether the law should not be revamped and extended to prevent and punish such subversive betrayals of the national interest, whether by Communists or by anyone else, in behalf of foreign interests.

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SIR ELLSWORTH FLAVELLE, Director, National Trust, Toronto. Past President, The Civil Liberties Association, Toronto.

So long as the individual, whether Communist or Tory, abides by the laws and customs of Canada, that individual is entitled to share the same privileges and guarantees as any other. If individuals of Communistic leaning seek to form a a Communist political party in Canada, I believe that party should be outlawed. Communism as we know it today has little in common with democracy, weak though our interpretation of that may be. I would extend the same privileges and guarantees to the individual Communist as I would to all others of the minority groups. I would ban a Communist party in Canada.

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DONALD M. FLEMING, Progressive-Conservative M.P. for Toronto-Eglinton.

Until the Communist or Labor-Progressive party has been declared by Parliament or courts to be an illegal organization, there can be no abridgement of civil and political rights of individual members or individuals subscribing to such of its tenets as are lawful. Similarly, until ruled illegal, the party, as such, has ordinary rights of political parties. Proof that the Labor-Progressive party, as such, has been implicated in Russian espionage, should be ground for declaring it an illegal organization. The right to broadcast on free time over CBC national network should never have been granted to the Labor-Progressive party, CBC regulations have made it too easy for them to qualify as a national party.

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C. F. FRASER, Managing Editor, Halifax Chronicle, Halifax.

Voltaire once said, "I loathe what you say, and disagree with all of it; and I will fight to the death for your right to say it." That is my answer. Communists, Liberals, Conservatives, Socialists or any other group have the right to hold and express their political views. When, as individuals or as an organization, they indulge in activities that violate the law they should be punished—for such violation, not because of their political or ideological stripe.

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NORMAN JACQUES, Social Credit M.P., Wetaskiwin, Alta.

Strictly speaking, Communists are not Canadians because they are loyal only to Russia. Obviously no Communist should hold any public office or Government post. Banning Communist parties only drives them underground. The bulk of Communists are inside Socialist parties and labor unions which they largely control in all countries. Communism is only Socialism in a hurry, suggest members of Parliament be given greatly extended use of radio. Present so-called "adult education" mostly is adult perversion by Marxians. Public entertainment and amusement are desirable. All commentators should be labelled. Speech must be equally free for all people.

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PROF. WATSON KIRKCONNELL, McMaster University, Hamilton, Ont.

You cannot beat smallpox by merely declaring it illegal, nor can you sidestep the vast difficulties of fighting Communism by lazily leaving it to spasmodic laws and an overworked police force. Systematic vaccination of the whole community is needed. All Canadian liberties of the individual should be jealously guarded but there should be universal and continual public instructions by press, radio, information service, film board, church and school, showing the extinction of all liberties—political and economic—under Communism. Lying pro-Soviet propaganda, almost universal in wartime, and still practiced by certain big Canadian newspapers, has done more than all Communist agencies combined to subvert the Canadian public. Canadians should know of the concentration camps, secret police, political murders, economic tyranny and world-wide plotting under the Soviets; also that

(Continued on page 21)

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Statues Not Popular As Memorials

Stained Glass Windows and New Buildings Favored by Veterans to Commemorate War

Statues are out, stained glass windows are in high favor, and the Canadian Legion's 400 branches lean toward new Legion halls as memorials to Canadians who fell in World War II.

Many leading sculptors tell The Financial Post they haven't yet heard of any statues or monuments being erected to commemorate World War II.

"The memorials put up after the last war caused a lot of reaction—there were so many bad ones," declared Frances Loring, president of the Canadian Society of Sculptors. "There is a definite trend toward living memorials such as gymnasiums and stadiums, and it looks as if money is going to be spent on them instead."

Plans to beautify Ottawa's Capital Hill as the Dominion's war memorial do not call for sculptured work at the present time, though it is not considered unlikely that a cenotaph will be erected.

Windows Popular

Most popular form of war memorial at the present time is stained glass windows. The Robert McAusland Co. of Toronto, largest stained glass studio in Canada, foresees a continuous demand for memorial windows for at least two decades. The forecast is based on present business and the fact that the firm was receiving orders for war memorial windows fifteen years after World War I ended. At present McAusland's has a backlog of orders which will take almost a year and a half to fill. Windows are scheduled for delivery to churches in Alaska, the Northwest Territories and several U.S. cities, as well as throughout Canada, during 1947.

Depending on the size and the number of sections into which they are divided, stained glass windows cost from $200 to $10,000. John G. Ramsden, who has been with McAusland's for more than a quarter of a century, says his firm does not favor realism in memorial windows, preferring the use of appropriate religious motifs drawn from the company's large library of historical religious art. "We want our windows to have the same meaning for people a hundred years from now as they have for people of this generation," explains Mr. Ramsden.

Too Much Detail

Agreeing with this, many sculptors point out that too-faithful reproduction of World War I uniforms and equipment is part of the reason for statues falling into their present disfavor. Careful attention to leggings and buttons has tended to make many statues appear archaic in the eyes of those accustomed to the modern battledress.

Canadian Legion officials report that the 400 branches of their organization plan to either build new club premises or enlarge or redecorate their present "home." About 60% of the branches already own their own buildings. Nearly all of them are turning to their municipal councils with appeals for a portion of the funds earmarked for memorial spending, and several have been successful. Recent ban on bingos and raffles by several provinces has halted many money-raising projects.

Use of functional memorials in the form of auditoriums and hospitals, while still highly favored over statues, is meeting with growing opposition. Opponents of this form of memorial state that the varied uses to which such buildings would be put will detract from the significance prompting their erection. In many cases, they claim, such buildings would be erected in the course of time without such stimulus, and calling them memorials provides an easy "out."

An ambitious project of this type is the auditorium for which Peterborough, Ontario, citizens and business firms subscribed $300,000. Plans call for the use of flooring that would make the building suitable for such varied events as concerts and ice hockey.

Individually, most veterans who discussed the subject were opposed to large sums of money being spent on nonfunctional memorials, though none had any objection to a "reasonable" amount being spent on a cenotaph which would serve as the focus of any commemorative or patriotic ceremonies.

SILVERWOOD DAIRIES LTD. 160,000 Class A shares are being offered at $13.25 a share to yield about 4.53% on the basis of the 60c. annual cumulative dividend by Harrison & Co. Shares were purchased from President A. E. Silverwood so that proceeds will not go to the company. The Class A shares have preference in dividends and in liquidation over the Class B and after payment of 60c. a share per annum on the B, the A and B participate equally in any further cash dividends. Earnings for the first two months of the year commencing Apr. 1, 1946 are in excess of those of the corresponding period of the previous year, the prospectus states.

SALMITA NORTHWEST MINES reports cutting a 15.1-ft. section averaging $13.24. Company advises that of 150 samples taken in recent drilling campaign all but two showed gold. Best sample in latest batch was said to have run $84.50.

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Fourth Zone Cooking

Low pressure steam cooking is introduced in a new "Fourth Zone" oven by The Vendo Company in the United States. Styled to match modern gas-fired kitchen ranges, the oven is equipped with a weight-operated pressure relief valve to keep cooking pressure down to ¾ lb., temperature at 218 deg. F. average. Vendo says this temperature-pressure limit is not sufficiently high to permit rupturing of food cells, with consequent loss of color and of nutriment. In use, gas is turned up full until cooking temperature is attained, then a whistle signals to the housewife to turn gas down to low. Asparagus and broccoli take 20 minutes to do, whole potatoes about 30 minutes. Whole meals including dessert are said to be cooked in the oven at one time with no flavor transfer from one to another. Vendo has no Canadian distribution plans completed yet.

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Anhydrous Foods Delayed

Anhydrous foods will not appear on the consumers' market until 1947, H. W. Roden, president, American Home Foods, Inc., states. "Anhydrous" foods are distinct from "dehydrated," put on the market during the war. Secret of the garden freshness claimed for anhydrous is a special quick-drying process devised by Clarence Birdseye, of Birdseye frozen foods fame, doing a job in about 90 minutes which ordinarily would take about 18 hours. Anhydrous foods claim to be semi-imperishable, remaining stable for many months, but not indefinitely, in normal temperature storage without refrigeration. First anhydrous products will be potatoes, onions, carrots, broccoli, beans, green peas, beets, spinach, apples, pears, and cranberries.

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Interno Bucket Elevator

For handling small arms parts in defense plants, Link-Belt engineers developed during the war a continuous bucket elevator. It outmoded batch handling in handtrucks, tote boxes, shovels, scoops, or platform elevators. The "Interno" bucket elevator helped overcome production line bottlenecks, sped small parts upward without damage during feeding, discharging or transit. The "Interno" is now on the market in its original form, and in adaptations suitable for jobs such as lifting metallic pieces out of an oil quenching tank vertically.

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Flying Lobsters

Four hours out of Nova Scotia waters by Yarmouth and Sydney, fresh lobsters are being served on Boston dinner tables, thanks to a converted Dakota aircraft and two enterprising partners in Maine Seafoods Co. Justus H. Miller and George Laskey last April tried an unsuccessful lobster delivery flight from Newfoundland, dropped into Yarmouth airport on the way back and took home 3,600 lb. of lobsters on a test run. Now they are averaging up to 5,000 lb. per trip, running on a regular schedule from Yarmouth and Sydney. Home-bred New England lobsters apparently can't begin to meet the seaboard demand; and superiority is claimed for the Nova Scotia variety.

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Better Phonograph Tone

Possible use in phonograph pick-ups, in microphones, and in industrial equipment where translation of motion to electron circuits is desirable for purposes of control or measurement, is seen for RCA Victor's new "Vibrotron" tube. The tiny metal electron tube, which weighs only 1/15 of an ounce, was developed under Dr. Harry F. Olsen in the RCA laboratories at Princeton. It converts mechanical motion directly into variable electron flow, and when used in a phonograph pick-up, yields high fidelity tone. Contributing to Vibrotron development was experience gained in building small electron tubes for war's proximity fuses.

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For Joint Security

Easy, safe and permanent are the advantages claimed by Northern Electric for the new Marr connectors. For effecting connections in conduit wiring, lighting, motor or machine connections, farm, factory or house wiring, the Marr device is a simple time-saver. It consists of a brass plug with set screw for holding wire ends, and a bakelite cap that screws over the plug to provide complete insulation. They are said to be efficient even where there is severe vibration.

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Flight Research Project

Financed and operated by the National Research Council, a flight research section is being set up at Arnprior, Ont., RCAF station. Flying personnel, aircraft and maintenance staff are to be RCAF, and the airdrome is to remain Air Force property under lease to the Research Council. The former Flying Instructors' school drome was chosen because it is near Ottawa, yet out of the way of normal air traffic. Work of the unit is to confirm or modify in actual flight new ideas developed with model planes in the aerodynamics laboratory.

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Chinese Typewriter

To type the Chinese symbol language, International Business Machines Inc. has produced the first practicable electric machine. Inventor Chung-chin Kao, chief of the radio division, China Central News Agency, worked more than 12 years to provide the greatest number of Chinese characters with the smallest number of typewriter keys. On a drum are engraved 5,400 characters; and the keyboard has 43 keys. Each single character is identified by a four-number group and, punching four keys to a character, an operator is said to be able to type 45 words a minute.

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Streamlined Pullman

Streamlined sleeping cars made up entirely of individual rooms which can be formed into suites, and parlor cars with private rooms, are in store for travelling tomorrow, the Canadian National Railways discloses. One type of sleeper is to have 18 roomettes, another 10 roomettes plus six sections. Each room includes the latest Pullman bed which folds into the wall for the day, medicine cabinet and mirror. A convertible bedroom-buffet lounge car makes up into four double bedrooms or into suites.

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Airguard For Air Gun

New Guardair gun, available with both standard nozzle and an extended tip for deep drilling operations, is now available in the United States, offering protection against chips, metal powder, sawdust, oil, etc. The nozzle is designed to provide a safety umbrella of air to keep particles out of the operator's eyes. Standard as well as special thread sizes to fit any hose coupling, are supplied.

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Slumber Record

De Luxe Record Co., Linden, N.J., is making a phonograph record of soft talk by Hypnotist Ralph Slater, guaranteed to induce drowsiness in the most stubborn cases of insomnia, or money back after a week's trial. The records, marketed through New Jersey Wholesale Drug Co., sell at $.5.25 per two-sided plastic disc. First put out some months ago for specialty shop sale, "Time To Sleep" records are now reaching the mass market through the new distributor.

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Circular Fluorescents

General Electric's "Circline" fluorescent lamps, adaptable to bridge and table lamp use, are on display in selected electrical shops in the United States, but production cannot yet meet general demand. In Canada, CGE tells The Financial Post, no such lamps can be expected for some time. A few sample fixtures, shades of things to come, are all that have arrived here. Sixty-cycle areas in Canada can expect first supplies, as 25-cycle power is not suitable for these lamps. They come in circles of eight, 12 and 16 in. diameter.

FOREIGN TRADE ENQUIRIES

Herewith The Financial Post offers a further collection of enquiries in a service to Canadian business. The following are definite trade proposals and enquiries for Canadian goods from firms in foreign countries.

As an additional free service similar concise statements of trade proposals by Canadian firms producing industrial equipment for export will be published by Industrial Progress which circulates in more than 54 foreign countries. Please send your announcements to the same address.

The queries here listed come from foreign readers of The Financial Post, other Maclean-Hunter publications and particularly from Industrial Progress, the Maclean-Hunter publication of Canadian trade abroad.

Write The Foreign Trade Service Bureau, The Financial Post, 481 University Ave., Toronto 2, for full information on any bulletin below and please give the code number preceding the item.

CM197, ARGENTINA — Importing firm, representing manufacturers of farm equipment for many years, expresses interest in the purchase of agricultural and industrial machinery, engines and electric light plants. Bank references given.

T126, INDIA — Commission representative seeks contacts with Canadian firms able to supply paper, woollen yarns and cloths, consumer goods, such as electrical appliances, crockery, etc., textile machinery, mill stores and spare parts; is able also to export powder, woollen carpets, karaya gum.

CM198, COLOMBIA — Firm of importers wishes to become exclusive representative for Canadian manufacturers of pipes and fittings; states it has a capable organization with large showroom in Bogota and travelling salesmen who cover the whole country; has urgent request for quotations on the following: Nail wire, black pipe, iron in tees, mild steel angles, iron in Z's, black iron sheets, iron strips; replies should specify commission and shipping dates. Bank reference given.

CG20, CUBA—Contact sought with Canadian importers interested in the following products, of which this firm has a supply available; vegetables, fruits, cereals, honey and wax, wines and liquors, tobaccos, and cigars, fresh fish, lobster, crabs, salt fish, etc., textiles, derivatives of sugar cane, candies, preserved fruits. Offers are requested and details of requirements from Canadian firms.

D127, IRAN — Businessman who acts as importer, exporter and commission agent, desires to import from Canada textile goods, yarn, leather products, umbrellas, vehicles, motor spare parts, stationery and other consumer goods; details requested, quotations in Sterling and samples are asked.

CM199, CHILE — Industrial technician requests catalogues and price lists on electronic equipment.

Office Control Delivery Begins

Lifting of wartime controls on office machines and equipment has enabled Commercial Controls Canada to begin distribution of its several lines of office control systems and business machines. Charles R. Ogsbury, President, said company products include metered mail systems (government-approved), mail-room equipment, check endorsing machines, and pay and production machines. It has also acquired all existing Canadian contracts on Ticketograph systems of the International Business Machines Co.

Organization has been in process since 1943 when the federal government gave approval of the firm's postal meter. Formation of the company was delayed until manufacturing restrictions were relaxed and its charter was granted early in May. Head offices have been set up at 73 Adelaide St. W., Toronto, and officers of the company are Harold R. Russell, vice-president; Albert F. Milton, secretary-treasurer; Peter L. Baenziger, managing director; Alan F. Telfer, general manager of Canadian Exporters Association as director; and Wilbur E. Breadner, in charge of customer service relations.

A string of outlets is being set up across the country—two already in operation in Montreal and Ottawa.

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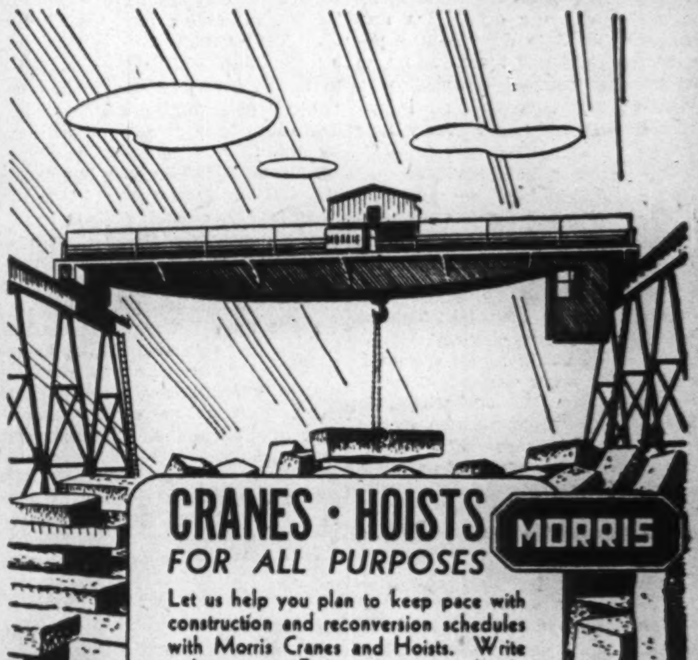

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MURINE For Your EYES
SOOTHES · REFRESHES

'Cheerful Chad' Points Up Sugarless Baker's Plight

C. Fredric Faye, proprietor of Fayemade Shortbreads, Toronto, is having his troubles these days, what with the two main ingredients of his product still in short supply. Every three months he gets 875 lb. of sugar and 300 lb. of butter, not enough to meet 5% of the demand for his shortbread, barely enough to keep his plant at 750 Dundas St. W., going for 10 days every quarter. He strings out his meagre supply by operating on a two-hours-a-day five-days-a-week basis, manages to keep his staff of six together despite all.

But even at that, he finds he has to shut down completely every three or four months for a couple of weeks. Faye has employed that odd little character and veteran of two wars, Chad, to explain his inability to keep going through the last two weeks of July and the first week of August. As is Chad's wont, he appears peering over a wall in three big posters pasted in the front windows of the bake shop, asking pertinent questions:

"Wot, another strike, no girls?"—"Wot, sugar and butter all gone?"

And as he drops back out of sight behind the wall, he says, "Yep, we are closed till Aug. 6."

This sort of thing wouldn't happen, says Mr. Faye, is he could get the quantities of materials he needs—1,200 lb. of butter and 1,000 lb. of sugar a month. His big difficulty is that his quota is based on 1941 consumption, when shortbread baking was only a sideline of a luncheon business he was operating then. When he closed down the luncheon service, he went entirely into war production of shortbread and all his output went to troops overseas until after the end of the war. It's only during the past year he has been selling to the general public and he can't begin to fill his orders.

When more butter, sugar, comes his way, it will be a happy day for Fredric Faye. He's all set to start building a new plant on Bathurst Street near Bloor, is only holding off until he gets assurances of adequate supplies to keep a bigger bakery going—and until builders can assure him of being able to build the bigger bakery.

Chad never caught on in this country, either in this war or the last. But he was a ubiquitous character overseas in both, chalked up on the walls, in subways, around munition plants, barracks, indeed wherever there was wall space big enough to draw his face and scrawl a pertinent query. Faye resurrected him from memory of his First Great War days when he served with the 15th Battalion C.E.F.

Toronto Orders Plans For Exhibition Stand

Toronto has ordered architects' plans from Marani & Morris for a new million-dollar grandstand to seat 25,100, replacing the one destroyed by fire recently at Canadian National Exhibition. Hope is to have the stand ready for postwar reopening of the big fair in August, 1947.

A proposal by the Exhibition board to dispense with calling of contractors' tenders and to award the contract to Anglin-Norcross, Ontario, Ltd. is being held in abeyance.

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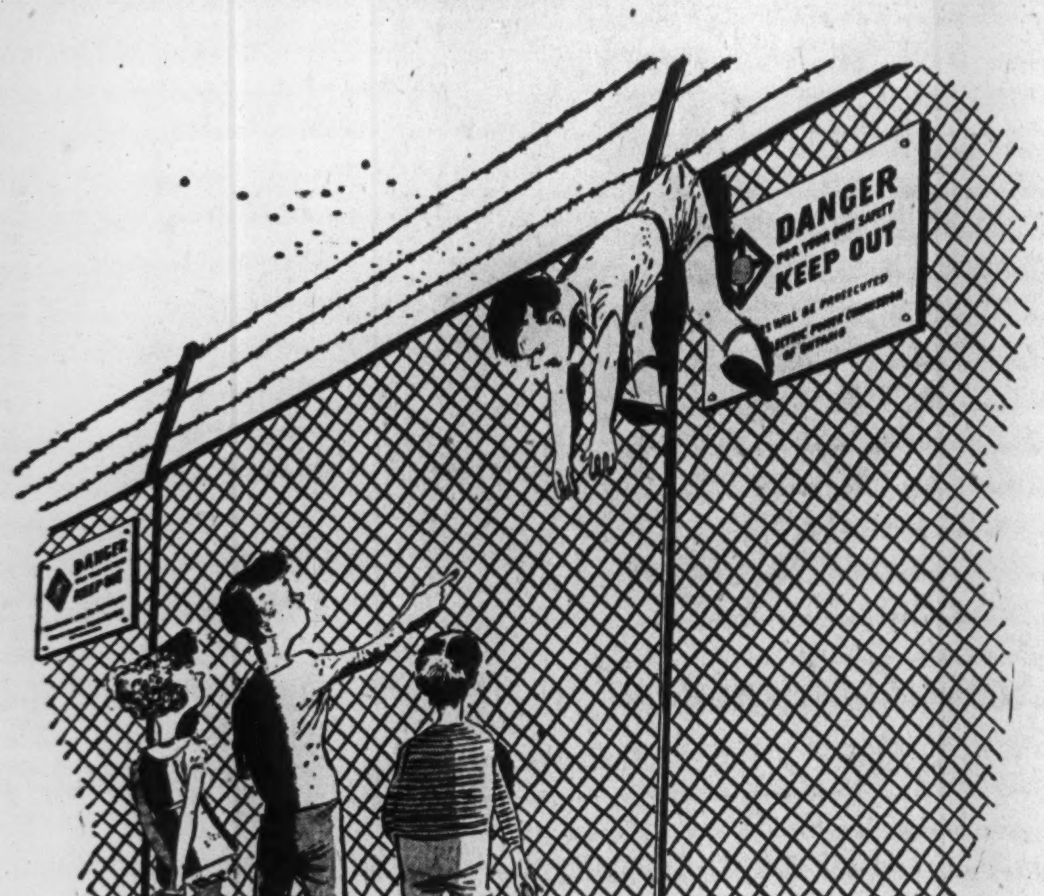

"What do you mean . . . I'm lucky?"

Lucky lad! Getting snagged on the wire in his effort to climb over a Hydro barrier : : : probably to recover a ball : : : may have saved his life. Some boys have not been so lucky.

Hydro energy is one of the finest things we have in Ontario to make for better living. But it can stop one from living, if you thoughtlessly give it a chance to flash through your body. Every possible precaution for safety is taken by your Hydro; but once in a while someone gets careless or "takes a chance", and tragedy strikes. A boy climbs a pole and touches a wire. Or he flies his kite near a Hydro line, and it contacts a high-voltage circuit and carries death or injury to whoever is holding it. Sometimes a storm breaks down a line and someone takes hold of the broken live wire with disastrous results. These are just examples of acts that are beyond the power of Hydro to prevent. Your Hydro can only warn of danger, and seek co-operation of parents and teachers and all who have influence with those who might expose themselves to that danger.

Hydro need never be a threat to anyone who:

1. Will not climb poles.
2. Will stay away from distribution lines and transformer stations.
3. Will keep away from fallen wires.

For your safety, in case of trouble immediately notify your nearest Hydro office. But never, never touch a fallen wire.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Serviceman's Income

For some months previous to the war I was a resident of Canada although still a citizen of the Netherlands. During the war I served with the Royal Netherlands Navy. I got my discharge in December, 1945.

My service pay of course was tax-exempt. But in 1945 I got $100 income from investments. In 1946 I have received gratuity payments and lately obtained a permanent job. How do I stand for income tax on the money received?

Your war gratuities are tax-exempt, but your civilian income is taxable. Because your total civilian income in 1945 was under $660, you have no tax to pay for that year. But you are liable for tax on your 1946 civilian income including your salary and income from investments, provided they total over $660.

Withholding Tax

I am a married woman, resident in the United States, with an income of $200 derived from Canadian investments. This is my sole income. From it there is deducted at the source in Canada withholding tax of 15%. As I am not liable for income tax in the U. S., can I claim a refund from the U. S. Government of the amount collected in Canada?

You would not be allowed a refund, we are told. If you had a taxable income in the United States you would be able to deduct the tax withheld in Canada from your tax liability in the U. S. As it is really a U. S. matter, you could write the Federal Tax Department at Baltimore, Maryland, for an official opinion.

INVESTMENTS

Brazilian Traction

What was the reason for the sharp drop in Brazilian last month? What are the prospects for a higher dividend rate?

The drop in the market value of the common shares of Brazilian Traction Light & Power Co. is thought in financial circles to have been largely due to concern over the labor situation and its effect on the company's operating expenses and consequently net earnings.

At the company's annual meeting Colonel Walter Gow, chairman, stated that gross earnings in 1946 were still increasing and that the operating ratio appeared for the moment to be more or less stabilized although at a figure considerably higher than a year ago but still not so high as to prevent net earnings approximating the results of a year ago. However, Col. Gow said, it would be impossible to say how long this situation would continue.

The labor situation continues to give the company great concern, Col. Gow pointed out. Labor unrest in Brazil has been universal due to the cost of living and to the efforts of radical elements to capitalize politically on discontent arising from higher living costs.

"The net effect of wage increases and bonuses granted during 1945 was to increase our payroll at the end of 1944 by 60%, an impossible burden for our companies to carry, had it not been alleviated to some extent by the 10% increase in rates authorized in May, 1945" Col. Gow stated. "This increase absorbed about half of the burden of increased wage rates for 1945 and should have had a slightly better effect in 1946 if the wage structure had remained stable."

Increasing pressure has been brought on the company since the beginning of 1946 to make further wage concessions to meet the increased cost of living, Col. Gow revealed. These negotiations resulted in the appointment of a parliamentary commission to report on the matter. A new scale of wages giving 20 to 25% increase in the lower scale and a progressively decreasing percentage on the higher scale has been accepted by the company and the workers alike, the company's acceptance being contingent on a further tariff increase sufficient to cover the new wage increases, and estimated at 7½ centavos on tramway fares and 7½% on other services.

The Government has agreed in principle, subject to confirmation by its accountants of the facts as given by the companies, that these tariff increases will be allowed as of Jan. 1, 1947. Wage increases, effective June 1 1946, will amount to approximately $6 millions a year.

Col. Gow also referred to two recent Brazilian decree-laws. One gave a slightly better remittance rate but limited profits remitted abroad from Brazil to 8% annually on so-called "registered capital" employed in the country with provision for remittance of any excess in equal installments over the ensuing four years. This was not expected to hamper the company, especially as it is spending important amounts on capital account in Brazil, Col. Gow pointed out. The other decree changed the Brazilian excess profits tax Act, but the company does not anticipate any serious burden from the new tax, it was stated.

Col. Gow held out little hope for any increase in dividends, stating that the directors felt that their course has been in the best interests of the company and shareholders alike. He pointed out that the company is faced with large capital expenditures and that it must continue to rely on its own resources to finance these expenditures until normal financing becomes possible.

Abitibi's Bonds

I was advised against buying Abitibi's 5% bonds because part of the price would be considered interest and subject to income tax. Is that right?

The Tax Division of the Department of National Revenue of Canada has ruled that, on payment at maturity or on prior redemption, $522.73 per $1,000 of Abitibi's 5% bonds due 1965 will be treated for the purposes of Canadian Income Tax as income in the hands of the bondholders. In other words if these bonds are called for redemption, you would have to pay income tax on $522.73 of each $1,000 bond as this amount was given in lieu of unpaid back interest. Incidentally, financial circles expect that Abitibi's bonds may be refunded before the end of 1946.

Montreal 'Change Listings Fall Off

MONTREAL (Staff) — Dollar value of stocks and bonds listed on the Montreal stock and curb exchanges dropped $236.7 millions in June to $9.6 billions. Stock valuations dropped $2.2 millions while listed bond values were cut approximately $35 millions. At the end of June, listed stocks had a value of $7.8 billions with bond valuations at $1.8 billions.

Of the 20 stocks groups listed six ended the month at higher levels, banks and financial companies, iron, coal & steel, millinig & grain, textile & clothing, and transportations.

Base metals showed the largest dollar value decline, off $82 millions or 5%. The golds ended the month $59 millions or 6% lower while the pulp and paper group dropped $27 millions or 4% in listed valuations.

CASTINGS TO ORDER

Chatham, Ont.—Industrial Service Bureau reports completion and opening of the new 3,000 sq. ft. Kent Foundry plant, to specialize in aluminum and grey iron custom castings. William H. Walters is owner-manager.

REGCOURT GOLD MINES has received payment covering July installment of $15,000, to apply on account of underwriting on 400,000 shares at 35 cents a share. Issued capital—2,134,285 shares.

Offer Kent Line Bonds to Public

MONTREAL (Staff)—Kent Line Ltd. New Brunswick, announced last week public offering of $1 million of first mortgage serial and sinking fund bonds, proceeds to be used in part to defray the cost of motor vessels acquired, and to provide working capital. Incorporated in May, 1946, the company has acquired seven motor vessels, including a 3,600-ton tanker and a Diesel tug at a cost of $2.07 millions. President and managing director of the new company is K. C. Irving, Saint John, who has been actively associated with operation of a shipping business for more than 12 years.

Mr. Irving informed The Financial Post that the balance of the company's capital, 75,000 shares of 6% noncumulative Class "A" preferred shares, $10 par value, and 75,000 shares of common stock, no par value, had already been privately subscribed for. Company estimates that net earnings available for bond interest and depreciation should exceed $200,000 annually against maximum bond interest charges of $38,850.

Motor vessels purchased by the company are: the D'Auteuil I, 600 tons; Kent County, 275 tons; Nipiwan Park, 3,600 tons; Camco, 900 tons; Camco II, 900 tons; Kent County II, 900 tons, and Kent County III, 900 tons. The company also owns a Diesel tug, Glenfield. Charters are now in effect, or assured, for all the vessels, according to the prospectus and all are expected to be in operation this year. The Glenfield is now in operation, it is understood.

Underwriting the bond issue is the firm of F. J. Brennan & Co. The bond issue consists of $100,000 of 3% serials maturing 1948 and 1949; $160,000 3½% serials maturing 1950 and 1951; $240,000 3¼% serial bonds maturing 1952 to 1954 inclusive and $500,000 15-year 4¼% bonds.

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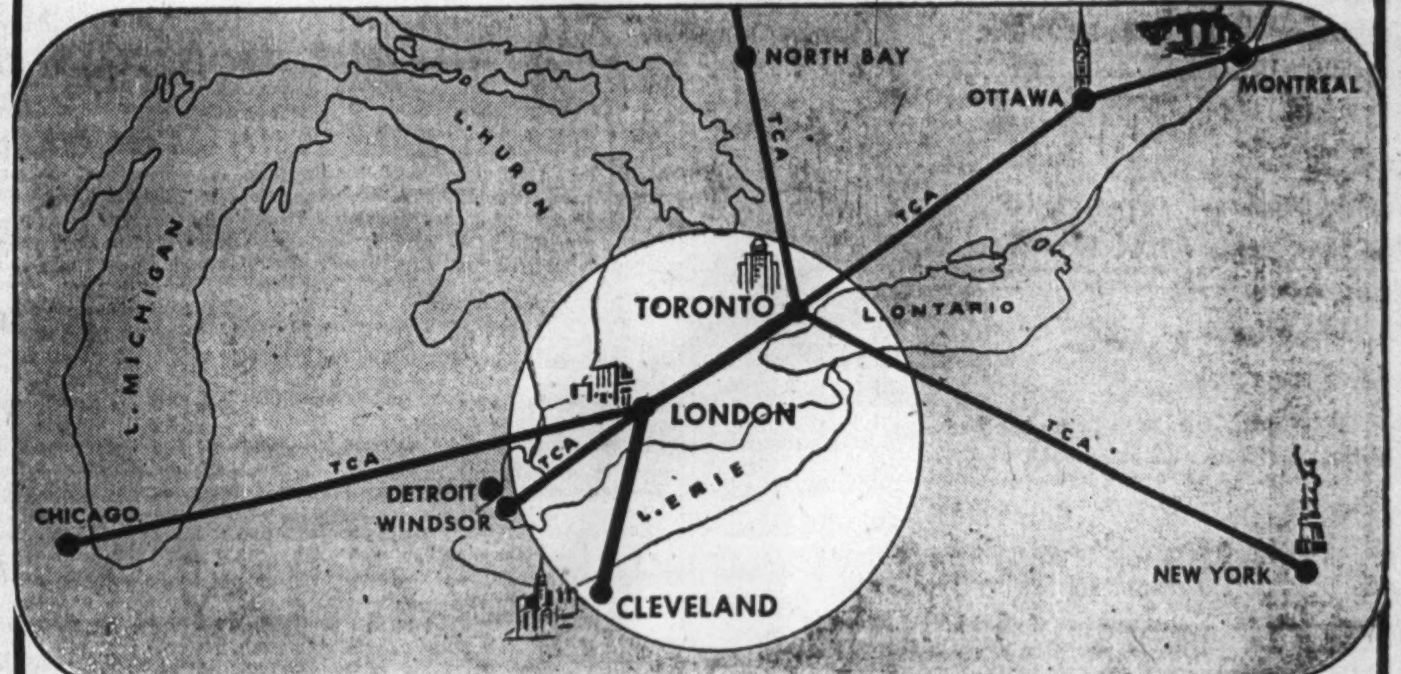

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The Monarch Life Assurance Company announces the appointment of Mr. George E. Sharpe, of Winnipeg, to its Board as a policyholders' Director. Mr. Sharpe, who is one of the youngest Life Insurance Directors in Canada, is President of Sharpe's Ltd.

CONSOLIDATED TEXTILE MILLS LTD. have received Montreal Curb Market approval covering the listing of the company's 50,000 common shares, no par value, and 20,000 5% cumulative sinking fund redeemable preferred shares, $20 par value. The shares were called for trading on July 22. Share capital of the company consists of 50,000 authorized common shares and 30,000 authorized 5% preferred shares, of which 20,000 have been issued.

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Store Burglars Choosy Insurance Claims Show

Reveal Strong Preference for Goods Which Can Be Turned Over at Good Profit on Black Market — Insurance Losses Increase

Because of high prices available for some varieties of merchandise on the black market, burglars are getting quite fussy about what merchandise they steal, insurance men say.

Where formerly they sought principally cash and bonds or goods of small bulk, but high value which could be readily carried away, now they make a drive for merchandise which because of scarcity can be turned over quickly at a high profit on the black market.

Radios and fur coats are among the larger articles stolen which have caused insurance companies heavy losses recently; but there have been many small thefts of sugar, butter and bacon, things which a few years ago made little burglar appeal.

One insurance man told The Financial Post his company had recently paid a claim on $2,500 worth of radios. In other cases thefts of women's fur coats have been heavy.

Store Burglaries Up

Total store burglary losses have not increased noticeably. Of a number of insurance executives interviewed by The Post, some reported recent claims much heavier than normally, most others a little heavier than usual, some about normal or lower. In some cases, opinions were heard that retailers were not taking sufficient precaution.

Fear that present conditions might bring heavier losses, however, has recently brought a strong demand for store burglary insurance. This, usually known as "open-stock burglary" insurance, covers all classes of goods at a varying premium. One company quotes premiums at $18 to $72 per $1,000 annually, according to the type of goods handled and the building in which the goods are kept. Such items as rope or refrigerators would carry a premium rate of possibly $20 per thousand, while men's suitings, radios or or liquor would take a higher rate

Losses Outstrip Premiums

"Open-stock burglary" insurance statistics are not shown separately from other types of theft. In the report of the Dominion Superintendent of Insurance, the total amount of the insurance carried and the losses incurred have shown an upward trend in recent years, the losses increasing more rapidly than the premiums. In 1945 the ratio of theft insurance losses to premiums written by the Dominion licensed insurance companies was 40.39% against 35.41% in 1944, 35.96% in 1943 and 31.16% in 1942.

In 1945, Canadians paid the Dominion licensed companies almost $1.9 millions in theft insurance premiums and the companies paid losses of $760,000. The number of burlaries insured, however, is believed only a small proportion of the total that occur. The statistician of one large insurance company estimates there are six to eight burglaries to every fire and that the proportion of uninsured burglaries to the total is much greater than that of uninsured fires—which is about 25%. Accordingly, it is believed business firms generally are considerably underinsured against burglary.

In recent months, however, special policies insuring against disappearance and damage as well as theft have made a stronger appeal and the proportion of merchandise now protected is increasing.

Cargo Barges Portable Now

Hamilton Bridge Makes New Tool For Kit of Heavy Construction

Heavy construction contractors, particularly those in marine and related work, will have a powerful new Canadian-made tool in their kit, product of Hamilton Bridge Co., Hamilton, Ont. It is a U. S.-designed cargo or work barge which can be taken apart after one job and then put together again on a new one 200 or 1,000 miles away with standard wrenches, nuts, bolts and some caulking compound.

Sectional steel barges aren't strictly new. Two or three Canadian companies with tidewater shipways have been weld-building them. mainly for war, for several years. And some of the inland fabricators —notably Hamilton Bridge, in steel, and Plywood Fabricators Ltd., Toronto (Leaside), in wood—made a major war contribution with sectional lighters for European and Far East battle landings.

But bolted demountable barges by Hamilton Bridge are a new wrinkle; will help reduce Canada's traditional dependence on United States for heavy construction equipment. They will be manufactured by arrangement with American Steel Dredge Co., Fort Wayne, Ind.

First two barges from Hamilton Bridge already are in service. C. A. Pitts General Contractor Ltd., is using them to deepen Twelve Mile Creek in the Decew Falls improvement project of the Ontario Hydro Electric Power Commission. Panels were completely fabricated in the Hamilton shops, trucked 30 miles to Decew Falls in the Niagara Peninsula and there bolted together and launched. Each barge is 60 by 40 by 7 ft., each carries 2½ cu. yd. crawler dragline equipment for excavating the creek bottom, each has vertical, diagonal and horizontal spuds to hold it in position against current, wind or the pull of the drag operation.

Design is such that the two barges finally may be dismantled, freighted in panels to a new site and then either reassembled as two barges, or combined into a single barge 120 by 40 by 7 ft. The same type of hull construction is adapted to hydraulic, dipper and clamshell dredges.

Fire Insurance Risky Business Says Finlayson

Opposes Split in Canadian Fire and Canadian Indemnity Co. Shares

Fire and casualty insurance 's such a hazardous business that the companies writing it might at any time run into heavy losses, G. D. Finlayson, Dominion superintendent of insurance told the House of Commons Banking and Commerce Committee last week.

Accordingly, he declared, the stock of fire and casualty companies is too risky for the small investor and should be held only by well-to-do persons. Poor people who cannot afford to take losses should not be encouraged to invest in it, he added.

Mr. Finlayson was opposing applications of two companies, the Canadian Fire Insurance Co. and the Canadian Indemnity Insurance Co., asking parliament to amend their charters to permit them to reduce the par value of their stocks. Par value per share of the Canadian Fire stock is $50 and of the Canadian Indemnity $100.

Heavy Underwriting Losses

The present is not a good time to permit companies to split their capital stock, he stated, and cited statistics to show that most fire and casualty companies in Canada had taken big cuts in underwriting profits last year as compared with earlier years. The outlook in his opinion isn't any better. The business had not been prosperous over a broad space of years, he maintained.

Duncan MacTavish, Ottawa lawyer, representing the companies, showed that in both cases the stock was selling well above par; that there is no intention among the directors to start any high-pressure stock selling campaign. The stock is held largely within a small circle of shareholders.

He explained that reduction in the par value of the shares would facilitate wider distribution of the stock and provide a ready market in case estates have to dispose of the shares to cover succession duties. Half the stock of the Canadian Indemnity Co., he declared, was still in the treasury and under the general law it could issue that balance in $10 par value stock. Canadian Fire, however, he stated, has little stock unissued.

Canadian Fire stock $50 par was recently reported to have sold at $90. Canadian Indemnity, $100 par, has been quoted at $150 to $165 bid.

Government Catching Up With Bogus Contractors

The building tradesman who masquerades as a contractor to escape wage control, and the occasional builder who "conspires" with him to this end, may continue to do so until the present clamorous demand for housing subsides. But there are signs that neither meanwhile will entirely escape the bureaucratic net of deductions at source for income tax and of contribution to central funds for workmen's compensation and unemployment insurance.

Slowly but surely the law is catching up with workmen operating informally as subcontractors and with builders who engage them. Among amendments to the Unemployment Insurance Act passed by Commons this month is a new section (14 a) which empowers the Commission to rule that a person or group working under an ostensible contract is actually working under ordinary hiring conditions.

This means that hereafter such a builder will be in the position of a direct employer in relation to such "subcontractor," that he will have to undertake all the deductions and contributions required of employers in general. The amendment in a small way undoubtedly will tend to discourage engagement of workers as contractors where this is a patent subterfuge, leading builders tell The Financial Post.

A similar provision already exists in Ontario's 1944 Hours of Work and Vacations With Pay Act, under which the provincial Industry & Labor Board can rule in certain cases that a contract for work is a device to evade the benevolent provisions of the act and can designate the parties to the arrangement as employer and employee respectively.

Some builders are asking now whether the income tax department will be next to block this avenue of loose accounting.

Most, however, consider the abuse temporary, inseparable from the out-of-balance supply and demand situation in housing which many think will be corrected in 1949. Meanwhile, a majority of substantial builders probably won't give the new legislative trap a thought. Reputable and established operators usually enjoy longtime relationship with recognized subcontractors; have been able to avoid "subterfuge subcontractors." On the other hand, some of the newer, smaller builders in larger centres reportedly have entered into the spirit of inflation by offering "subcontracts" with high premium wages to entice workmen from another builder or job.

What the new section of the Unemployment Insurance Act says specifically is that the Commission may order that the terms and conditions of service of a person, group or class not employed under a contract of service are in fact so similar to the latter as to result in anomalies or injustices in the operation of the act; upon such order, such person, group or class shall be deemed to be employed under a contract of service within the meaning of the act.

An explanatory note in the bill says: "It is becoming increasingly common practise for persons who are normally employees to enter into a contract with a person who would be normally an employer, the contract being in such form as to purport not to establish the relationship of employer and employee but rather to make the workman an independent contractor. This practise is followed not only for the purpose of avoiding contributions under the Unemployment Insurance Act but also to avoid minimum wage and workmen's compensation legislation. "It is considered that these men who are actually in just the same position in practically every respect as employees, should be protected under the Act against unemployment."

Prudential of England Sells 'Over-the-Counter'

"Over-the-counter" insurance is a slogan being used to good advantage by the Prudential Assurance Co. of London, England, at its Central Ontario General Agency at Toronto.

The Prudential is a multiple line company writing practically every kind of insurance. It was felt, therefore, that this service should be made available to clients who might like to buy all their insurance needs, life, fire, automobile and casualty under one roof or "over-the-counter," from one agent. When the client wants some kind of insurance the Prudential doesn't write, arrangements have been made to carry it with another insurer.

Group Life Insurance Policy With Cash Value Is Written

An unusual type of group life insurance policy with paid-up insurance or cash values has been written by the Aetna Life Insurance Co. on the employees of Irish & Maulson, insurance brokers, Toronto. While similar policies exist in the United States, this is believed the first written in Canada.

Principal features of the contract are that:

1. If the employee continues with his company, his life insurance will become paid up in a stated time and he will have to pay nothing more.

2. If he leaves the firm, he gets his money back.

Other features include double indemnity in case of accidental death and certain medical and hospital benefits.

The clause providing for paid-up insurance or cash values is said to be included in several group contracts offered in the United States. Some companies, however, see the higher cost involved as an obstacle to selling it on any large scale in this country. Others contend this objection is offset by the extra privileges given.

In the ordinary group life insurance policy, the employee on leaving the company has the option of converting it into an ordinary life insurance policy at his present age. If he doesn't do this, the policy lapses. There is no cash surrender value or paid-up insurance.

Brazil Has Easy Answer For Red Tape Problem

The complicated task of preparing shipments for export is reduced to its simplest form in a pamphlet prepared by Brasil-Canada for distribution to Canadian firms interested in Brazilian markets.

The six-page mimeographed document outlines seven steps in the preparation of export shipments. In addition to giving details of customs and banking requirements for Brazilian transactions, the pamphlet includes general hints, applicable to development of trade in almost any new foreign market.

One step, apparently frequently overlooked by exporters, but highly recommended by the Brazil concern, is presentation of full information on Canadian products well in advance of actual shipment. Catalogues, descriptive leaflets, sales pamphlets, blueprints — anything which might be helpful in providing advance information for publicity and advertising purposes—are requested.

Another helpful preshipping tip is contained in the suggestion that manufacturers provide their foreign customers with details of parts of machines most likely to wear out and to need replacement.

Other points contained in the list of instructions are these:

1. Notify your distributor or agent of the raw materials or ingredients incorporated in your product. This will help him to arrange the best customs classification in his country.

2. Exports to Brazil must be accompanied by consular invoices, certificates of origin, bills of lading, commercial invoices and certificates of insurance. Originals should be forwarded by air mail, duplicates with the shipment.

3. Declarations in consular or commercial invoices should not be made without previous instructions from your distributors or agents. It is important that your declaration correspond with his declaration to local customs. Any discrepancy between invoices and distributor's declaration may result in delays in clearance and difficulties in exchange settlements.

4. In order to obtain the best customs classifications, it may be necessary for Canadian exporters to invoice and package separately the components of some goods and equipment they ship to Brazil. The distributor or agent can advise you on this.

5. In cases of payment for Canadian goods by letter of credit, the Brazilian Foreign Exchange Board requires a letter of confirmation from the exporter giving in detail the value of the goods shipped, and requesting that credit to that amount be granted.

GENERAL ACCIDENT FIRE & LIFE ASSURANCE CORP. of Perth, Scotland, reports total assets of $143.8 millions on Dec. 31, 1945, up $13.7 millions. Holdings of stocks and bonds rose $15 millions and surplus account was $1.6 millions against $1.4 millions in 1944.

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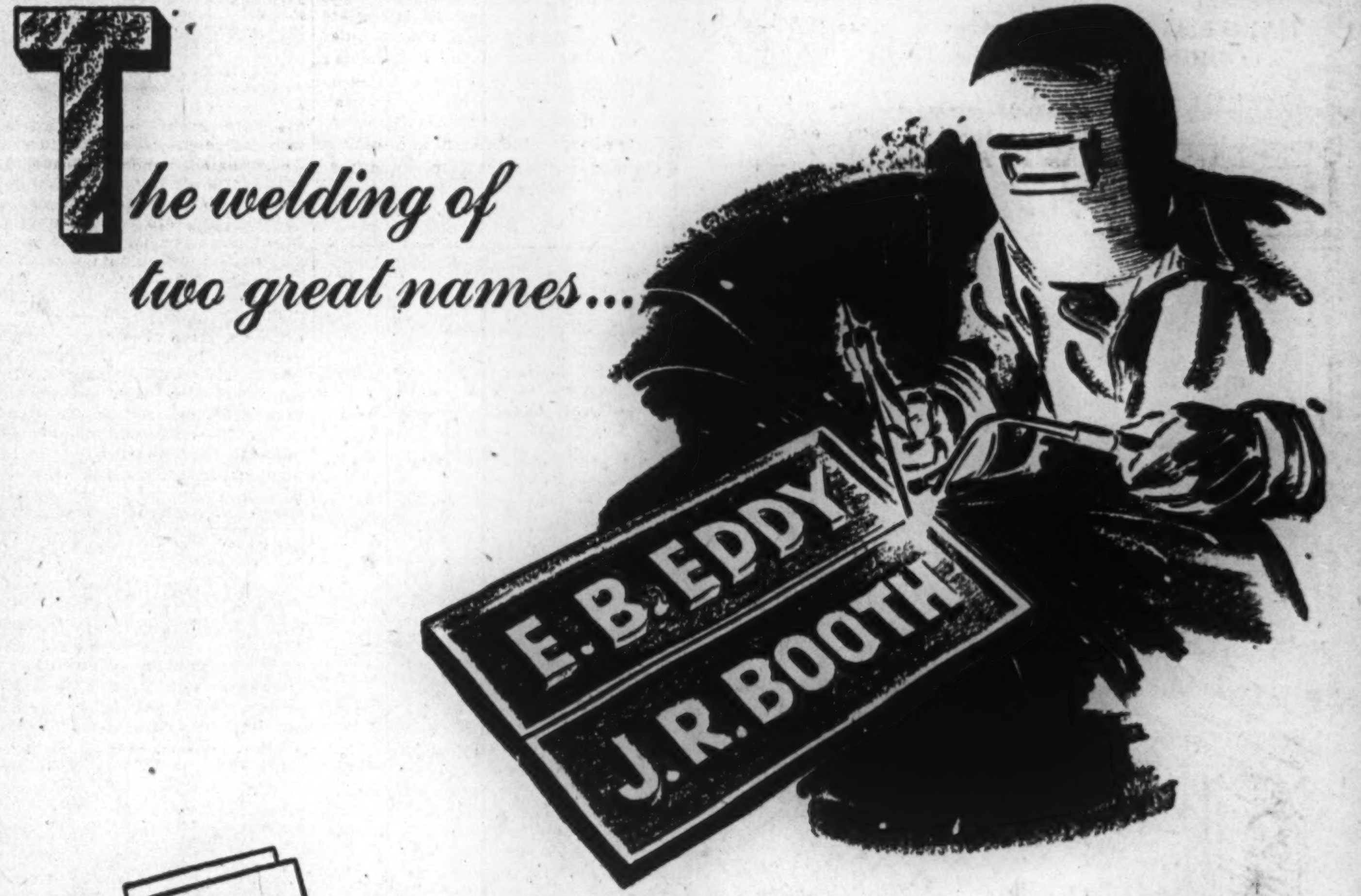

and what it means to users of paper

Consolidation of all properties and interests of The E. B. Eddy Company and J. R. Booth Limited has been completed. From now on these two great paper-making concerns will operate as one organization, under the name of The E. B. Eddy Company.

The vast manufacturing, research and development facilities in the Eddy mills at Hull are extended and strengthened by addition of the well equipped Booth mills across the river in Ottawa. This union makes possible many new measures of economy and efficiency which will result ultimately in more and better paper and paper products for customers of both firms.

The Booth and Eddy sales organizations, including branch offices in the principal cities of Canada, also have been amalgamated under the leadership of G. C. Winlow, Director of Sales, and N. B. A. Fair, General Sales Manager. Mr. Fair was formerly General Sales Manager of J. R. Booth Limited.

Together the two companies which have been close neighbours for 90 years look forward to an even greater future as one organization—a future of immensely increased service to all users of paper.

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Total Levy on Estates Not Necessarily Higher

Proposed Doubling of Dominion Succession Duties Largely Offset by Credits for Provincial Taxes — More Headaches for Estate Managers

Considerable needless confusion seems to have resulted from Finance Minister Ilsley's budget proposal to double succession duty rates.

In many quarters it has been assumed that after Dec. 31, 1946, estates of people dying in Canada will be liable for twice the present federal death duties plus those payable to the provinces.

While the Dominion succession duties will be doubled, any duty paid a province will be deductible from the Dominion duty on the same estate, up to 50% of the latter. The actual result is that the majority of estates will pay approximately the same as before, some a little more, especially in cases where the Dominion rate is higher than the provincial.

The Dominion offer to the provinces opened three courses:

Each province could vacate the succession duty field, agreeing to accept from the Dominion certain payments in lieu of its own death duties.

It might continue to levy succession duties but agree to accept reduction in its payments from the Dominion equal to the amount of succession duties it collected.

It could carry on as at present.

In the first case, the estate would be liable for death duties at double the present Dominion rates with no provincial levy. In that case, the burden of the estate would in most cases be lighter, as Dominion succession rates are usually lighter than provincial rates.

In the second, and third cases the provincial taxes would be levied at prevailing rates plus double the present Dominion rates less an amount equal to the provincial levy. In each of these cases the burden on the estates would appear to be the same.

Here's how it would work according to examples cited in parliament by R. W. Mayhew (Liberal, Victoria).

Take a $50,000 estate left to a widow in Quebec. Present Quebec duty is $2,000 and Dominion Duty $1,470, a total of $3,470. If the Dominion duty is doubled to $2,940, the provincial tax could be deducted up to 50% of the Dominion figure. It would thus completely offset the extra half of the Dominion duty, leaving the total tax payable $3,470 as before.

In another case where $2 million estate is left a widow in Ontario, the present Ontario duty would be $494,500 and the present Dominion duty $451,440, a total of $945,940. The Dominion duty, doubled would be $902,880, which, reduced by half, on account of the provincial duty, would leave the net Dominion levy at $451,440 and total duty at $945,940 as before.

Take another case in which an estate of $100,000 is left a widow in Manitoba. The present provincial tax would be $4,600, present Dominion tax $5,880. If the latter is doubled, total Dominion tax would be $11,760. This would be reduced by an amount equal to the provincial tax leaving a total federal levy of $7,160, which added to the provincial tax would make a total levy of $11,760 against $10,480 as at present.

But, suppose the province agreed to vacate the succession duty field. Take the case of the $50,000 estate left to a widow in Quebec. Under the double Dominion rate, the tax would be $2,940. There would be no provincial tax, leaving the total tax at $2,940 against $3,470 as at present. The estate would benefit and the Dominion would make up the difference to the province from its general revenues. In cases where the province signed an agreement with the Dominion but continued to levy death duties, the estate would pay the same but its grant from the Dominion would be reduced by the amount of taxes it collected.

One case however in which the new tax arrangement will make a difference, is when an entire estate or more than 50% of it is left to charity. Under the present Ontario law, the whole estate if left to charity in the province, would be free estate tax. But the Dominion only exempts 50% of the total estate. Take a man with a $1 million estate, who leaves it all to churches, hospitals and colleges in Ontario. The present Ontario tax would be nothing. The Dominion tax would be $96,750 assuming that charities are taxed as strangers. Under the double tax schedule the Dominion tax would be $193,500.

In some quarters there is considerable agitation that the Dominion should follow the Ontario example and exempt charities from succession duties up to the full value of the estate. The number of cases affected this way admittedly is not large, but there are some.

Estates managers and executors also see difficulty in getting agreement between the provinces and the Dominion on the valuation of estates. It is felt that the Dominion authorities might conceivably be unwilling to accept the provincial valuations on which the provincial taxes are based. In that case, settlement of an estate might be held up indefinitely.

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BANK OF CANADA

Liabilities	July 17 $	July 10 $
Capital paid up	5,000,000	5,000,000
Notes in circ.	1,119,524,093	1,121,389,636
Rest fund	10,050,367	10,050,367
Deposits: Dom.	88,386,557	41,053,830
Chart. banks	492,693,516	490,326,472
Other	76,858,923	89,934,749
Total deposits	657,938,996	621,315,051
Liabs. pay. in sterling, USA and for. gold currencies	1,843,111	1,843,111
All other liabs.	17,586,558	71,048,148
Total liabs.	1,811,943,125	1,830,646,313
Assets		
Sterl. & for. ex.	1,843,111	1,843,111
Subsid. coin	408,083	365,135
Investments:		
Dom. gov. sh.	1,237,738,484	1,242,690,077
Oth. Dom. gov.	540,487,538	547,527,210
Other secs.	10,000,000	10,000,000
Total invest.	1,788,226,022	1,800,217,287
Premises	2,542,777	2,542,777
All other assets	18,923,132	25,675,003
Total assets	1,811,943,125	1,830,646,313

COMPANY REPORTS

CANADIAN CONVERTERS' CO. retained net profit of $121,419 for the fiscal year ending Apr. 30, 1946 is 68.7% higher than for the previous year. Changes in the balance sheet include the new item of $400,494 investments in wholly-owned subsidiaries at cost, the writing-down of goodwill by $991,965 to $250,252 from the capital surplus arising from writeup of fixed assets to appraisal value and from reduction in the capital. Working capital is down 55.6%, probably due to purchase of the new subsidiaries.

CONS. INCOME ACCOUNT

Years Ended April 30:	1946	1945
Net earnings	$273,881	$253,133
Add: Subs. divds.	50,705	......
Net oper. profits	324,586	253,133
Less: Depreciation	46,037	22,855
Bond interest	18,636	......
Income tax‡	72,750	85,355
Extra. rep. & maint.	65,744	72,926
Net profit	121,419	71,997
Less: Dividends	52,005	52,005
Surplus for year	69,414	19,992
‡Incl. refund. EPT	3,975	7,640
Times Bond Interest Earned:		
Before deprec.	17.42	(13.58)
After deprec.	14.95	(12.36)
Earnings per Share and Dividend Record*:		
Com. (old):		
Excl. ref. EPT	......	$4.15
Incl. ref. EPT	......	4.59
Paid	$1.50	3.00
Cl. A: Excl. ref. EPT†	1.75	(1.04)
Incl. ref. EPT†	1.81	(1.15)
Paid	0.37½	......
Cl. B: Excl. ref. EPT†	2.02	(0.58)
Incl. ref. EPT†	2.12	(0.80)
None paid.		

†New stock, before partic.; after partic. "A" and "B" earned in 1945 $1.17 per sh. excl., $1.21 per sh. incl., ref. EPT.

CONDENSED CONS. BALANCE SHEET

As at April 30:	1946	1945
Cash & Dom. bds.	$21,353	$284,134
Due re bonds sold	......	291,000
Accts. rec.	412,136	184,895
Inventories	508,584	651,739
Total curr. assets	942,073	1,411,768
Invest. in subs.	400,494	......
Misc. assets▲	117,411	111,740
Properties*†	1,269,294	445,596
Goodwill, etc.†	250,252	1,242,217
Total assets	2,979,524	3,211,321
Total curr. liab.	264,937	166,689
General reserve	50,000	50,000
Funded debt	550,000	600,000
Capital stock†	1,421,470	1,733,500
Surplus▲	693,117	661,132
*After depr. of	428,218	488,188
▲Incl. ref. EPT	60,743	56,768
Working capital	677,136	1,245,079

†Note: In 1945-46 surplus of $662,600 arising from write-up of fixed assets to appraisal value at April 30 1945, and of $329,365 from reduction in capital applied to write down goodwill by $991,965.

STANDARD PAVING & MATERIALS LTD. net profit was up 83.1% for the year ended Mar. 31, 1946. Standard profit has not yet been set. The report includes figures for Consolidated Sand & Gravel Ltd. All but 158 of the 5,480 Consolidated Sand preferred shares have been exchanged under the offer of five Standard Paving preferred for one Consolidated Sand preferred as at June 25, 1946, President J. F. M. Stewart states.

Very substantial purchases of new equipment are necessary to replace equipment sold in previous years and to carry out contracts. The company has purchased property in the northwest section of Toronto which already has railway connections and is erecting an asphalt plant. Machine shop and warehouse will be built which will be headquarters for overhauling equipment.

CONSOL. INCOME ACCOUNT

Years Ended Mar. 31:	▪1946	1945
Net earnings	$338,285	$237,471
Less: Deprec.	129,581	81,866
Int., disc., etc.	1,375	2,644
Bad debts res.	174	3,289
Income taxes‡	163,440	125,799
Net profit▲	43,715	23,873
Less: Min. int.	1,687	......
Pref. divds.	38,030	46,875
Surplus for year	3,998	†23,002
‡Incl. ref. EPT	17,825	17,471

†Deficit.

▲Note: Co's. report includes refundable EPT in net profit and deficit for year.

Earnings per Share and Dividend Record:		
Pref.: Excl. ref. EPT	$0.57	$0.47
Incl. ref. EPT	0.81	0.83
Paid	0.62½	‡0.93¾
Com.: Excl. ref. EPT	d0.26	d0.29
Incl. ref. EPT	d0.12	d0.16
None paid.		

▪Including Consol. Sand & Gravel Ltd.
‡Including arrears.

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	▪1946	1945
Cash & investments	$1,124,045	$681,794
Accts., etc., rec.	178,518	138,459
Tender deposits	66,017	107,029
Inventories	64,923	71,058
Total curr. assets	1,432,503	998,340
Misc. assets▲	160,752	115,702
Fixed assets*	593,819	379,921
Total assets	2,188,074	1,493,963
Adv. for tender dep.	66,017	107,029
Accts., tax., etc., pay.	468,674	374,217
Prov. for repairs	53,465	65,000
Total curr. liabs.	588,156	546,246
Minority int.	81,372	......
Capital stock	1,006,749	456,112
Surplus▲	511,597	491,605
*After deprec. of	1,868,531	1,420,958
▲Incl. ref. EPT	62,411	38,966
▪Including Consol. Sand & Gravel Ltd.		
Working capital	845,347	452,094

Graduate Study Course Given for U.S. Bankers

Advanced Classes Discuss New Techniques and Developments in the Profession; Bring Presidents and Juniors up to Date

Believed unique in banking educational activities is a Graduate School of Banking, established by the American Bankers Association, where many senior bank officers, as well as many of junior rank, come to study new techniques and developments in their profession. The course of study is designed to enable bankers to meet changing conditions and to ensure survival under them.

At the recent convocation of the school at Rutgers University, 168 graduates whose average age was 40 received diplomas for having completed the three years' course. Since 1935 a total of 1,500 bankers, 15 of them bank presidents, have attended the two weeks' session and completed three years' study and the thesis required for graduation.

Founded by Stonier

Founder of the school is Dr. Harold Stonier, executive manager of the American Bankers Association, who 11 years ago put into action his theory that experienced bankers should keep themselves abreast of developments in their profession, just as do doctors and surgeons.

Accordingly, for two weeks each year since 1935, the banker students have convened from 8.30 a.m. to 9.30 at night for study of various matters of banking interest, taking time off only for lunch and dinner and on alternate afternoons an hour for handball or horseshoes.

The faculty includes top-ranking bankers, economists and other specialists and is the highest paid summer faculty in the United States, salary bill for the two weeks totalling $100,000. Annual fees are $175. paid for junior officers by many of the larger banks. Other banks have a standing offer to reimburse employees who continue the course to graduation. One special student in the 1939 course, Glen Cummings, general counsel of the Cleveland Trust Co., was 66 years old.

In the larger cities Graduate School of Banking alumni clubs are now established and alumni from as far away as Nebraska attend the annual dinner of the New York Club.

Discuss Banks' Position

Although entertainment receives a fair share of attention, the work of the students is generally serious. This year considerable stress was put on the extent to which the banks during the war had become dependent on the U. S. Government for their earnings (45.7% in 1945, from government paper).

Another major topic was a request by the Federal Reserve Board that it be given new broad powers to regulate banks. In its last annual report the Board asked Congress for power to increase member banks' reserve requirements and to dictate how much and what government bonds they could buy. The banks believed they would be asked to exchange government bonds now held for special nonmarketable treasury certificates drawing an interest rate fixed by Congress, probably lower than that on long-term government issues.

Bank economists now see no limit, except bankers' discretion, to the expansion of bank credit and money supply that is possible on the basis of bank cash available from the sale of government bonds. It was believed the Government would put pressure on the bankers to replace part of their government bond holdings with commercial loans. In the Graduate School the Federal Reserve Board's proposal was seen as a further step toward control of the banks.

In Canada

While the Canadian Bankers Association has not established a school just similar to that in the United States, it has provided extensive educational facilities for employees of all grades. Two courses are offered, one leading to the degree of Associate of the Canadian Bankers Association; the other—the degree of Fellow of the Canadian Bankers Association. For Fellows of the CBA who wish to carry on advanced studies, arrangements have been made for further work under the supervision of Queen's University, taking the place to some extent of the U. S. school, although there are no set classes.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

D. GARRICK, accountant, Pincher Creek, Alta., to be manager, Bassano, Alta.

A. R. MACDONALD, to be manager, Chippawa, Ont.

L. S. MARTIN, to be manager, Val d'Or, Que.

C. E. ROBERTSON, manager, Chippawa, Ont., to be manager, Lakefield, Ont.

J. H. GAFFNEY, accountant, Nassau, Bahamas, to be assistant manager, Kingston, Jamaica.

E. A. MENZIES, staff officer, supervisor's department, Winnipeg, to be assistant manager, Regina.

R. C. SCRIM, to be accountant, Douglas St., Victoria, B.C.

L. F. SIGAS, accountant, Bayamo, Cuba, to be accountant, Camaguey, Cuba.

H. W. HARPER, Bassano, Alta.; A. H. O'KEEFE, Cochrane, Alta.; R. CALLARD, Wawota, Sask., retire.

A. J. ALLEN to be manager, Cochrane, Alta.

R. C. ARBUCKLE, accountant, Portage Ave., Winnipeg, to be manager, Dryden, Ont.

G. J. BAILEY to be manager, Chapleau, Ont.

C. G. BARNES to be manager, Union Stock Yards, St. Boniface, Man.

V. M. BLAKE, accountant, Dunnville, Ont., to be manager, Appin, Ont.

G. E. CARROTHERS, accountant, Hamilton, Ont., to be manager, Locke and Main, Hamilton, Ont.

T. C. A. FREEMANSON, supervisor's department, Regina, to be manager, Neudorf, Sask.

J. T. H. McCONNELL, accountant, Sargent and Sherbrooke, Winnipeg, to be manager, Roblin, Man.

H. A. RICHARDSON, accountant, Kingston, Ont., to be manager, Hillsburg, Ont.

E. K. CULBERT, supervisor's department, Toronto, to be ass't. manager, Windsor, Ont.

R. F. POWELL, supervisor's department, Toronto, to be assistant manager, St. Catherine and McGill College, Montreal.

J. C. ASHBURNER, ass't. accountant, Medicine Hat, Alta., to be accountant, Edmonton, Alta.

S. M. BAIRD to be accountant, Galt, Ont.

C. BELLIVEAU, accountant, Shawinigan Falls, Que., to be accountant, St. Johns, Que.

C. G. BOOTH, accountant, Galt, Ont., to be accountant, Hamilton, Ont.

A. FERGUSON to be accountant, Portage Ave., Winnipeg, Man.

A. S. WILKINSON, Guelph, Ont, A. N. McLEAN, Appin, Ont., retire.

• • •

The Bank of Nova Scotia announces the following staff changes:

W. L. GEMMILL, to be accountant, Hamilton, Ont.

• • •

The Bank of Montreal announces the following staff changes:

F. J. E. DOWNEY, Edmonton, to be manager, Bentley, Alta.

K. D. McDONALD, accountant, Chatham, N.B., to be manager, Canso, N.S.

C. KEMP, manager, Mahone Bay, N.S., to be manager, Hartland, N.B.

W. W. BAKER, manager, Canso, N.S., to be manager, Mahone Bay, N.S.

D. D. TROTTER, manager, Perth, N B., to be manager, Moncton, N.B.

C. A. SNELL, manager, Hartland, N.B., to be manager, Perth, N.B.

A. F. E. JARRETT, manager, Queen St. E. and Beech Ave., Toronto, to be manager, King & Dufferin Sts., Toronto.

C. FERRIMAN, assistant general manager's department, Toronto, to be manager, Queen St. E. and Beech Ave., Toronto.

H. E. MERCER, inspector, head office, to be inspector, special debts department, head office.

D. S. COLLINS, head office, to be an assistant secretary, head office.

G. A. R. HART, head office, to be secretary to the president.

J. E. P. HENNKER, accountant, Carrall & Hastings Sts., Vancouver, to be assistant manager of that branch.

E. A. ROYCE, accountant, Main & Hastings Sts., Vancouver, to be assistant manager of that branch.

• • •

The Canadian Bank of Commerce announces the following staff changes:

W. PORTER to be manager Brussels, Ont.

E. J. CHARLAND to be manager, St. Henri, Montreal, Que.

D. A. E. GINGRAS to be manager, St. Ferdinand d'Halifax, Que.

H. L. ALLINGHAM to be manager, Saskatoon.

F. G. N. SMITH to be assistant manager, Queen and University, Toronto.

J. E. ROBSON to be manager, Windsor, Que.

J. TAYLOR to be manager, North Winnipeg, Man.

Demand for Safety Deposit Boxes Far Outstrips Increase in Supply

Although manufacturers have increased their output of safety deposit boxes considerably in recent months, the demand has increased so much more rapidly that bank and trust company managers are unable to satisfy their customers.

In some cases requests for boxes of almost two years standing are said to be still unfilled and the outlook is said to be no more promising, especially as the steel strike will shut off materials.

Stocks and Bonds

The first big increase in demand came during the second Victory loan campaign in 1942 when the payroll deduction plan was put into effect. This and the increasing purchases of bonds in succeeding campaigns and the campaign to sell war savings certificates all caused a greater demand for safety deposit boxes which has been increased in recent months it is believed by individuals buying stocks wanting to put their certificates where they will be safe.

The desire for safety has been increased also recently by numerous fires and burglaries in residential properties. Many bondholders who have been keeping their securities at home are getting nervous and wanting to protect their holdings against fire and theft.

In addition, it is said, many people who had one box now find they are getting rather crowded and want another but can't get it. Most of the demand is for the smaller individual boxes that rent for $3 to $4. In some cases larger boxes are being sought, but the big demand is for the smaller sizes.

New Supply Large

Bank managers say that the number of new boxes they are getting would be considered quite satisfactory in normal times. In fact it is understood production was never as high as it is at present. It is the enormous demand that is causing the shortage. In some cases lack of building space is a difficulty, however. One trust company official said he believed he could get more boxes but did not know where to put them, every available foot of suitable space being occupied now.

Meanwhile the banks generally are continuing the service they gave during the war of storing and servicing bonds of customers who have no place else to keep them and no safety deposit box.

Minimum Fees

For a minimum fee of 25 cents on small bonds the banks take care of the securities, clip the coupons as they come due and put them to the customers credit. They also take care of war savings certificates the same way. On larger amounts of bonds up to say $10,000 the service charge is 1/10 of 1%. On war savings certificates the charge is 10 cents for each $5 certificate for the period of the certificate. Bankers, however, are finding the space taken up by this service quite a handicap and accordingly are anxious to get their customers to take safety deposit boxes when they are available.

Explorers welcome!

You don't have to travel by sailing ship to explore to-day's trade prospects in the South-West Pacific. Economic and trade information about AUSTRALIA, NEW ZEALAND, FIJI, PAPUA and NEW GUINEA and introductions to importers and exporters can be obtained by asking your bank to write to the

BANK OF NEW SOUTH WALES
British & Foreign Department, Sydney, Australia

Management Services that include:

¶ Time, motion and methods study.
¶ Job evaluation.
¶ Incentive plans.
¶ Training of foremen and supervisors in methods improvement, cost reduction, personnel relations and work simplification.
¶ Training in techniques of personnel selection, placement and job instruction.
¶ Surveys of sales, distribution and merchandising methods, and analysis of markets.
¶ Surveys for the location of factories and branch warehouses.
¶ Surveys and installation of production, budgetary, profit and cost control methods and systems.
¶ Complete surveys of operations and organization.

Our booklet, "What is Industrial Engineering?" explains in some detail these phases of our service. We will be pleased to send you a copy on request.

J. D. WOODS & GORDON
LIMITED
15 Wellington St. W., Toronto, Canada

J.D. Woods, President W.L. Gordon, Managing Director
Ralph Presgrave • J. G. Glassco • J. A. Lowden
G.P. Clarkson • D. M. Turnbull • B. H. Rieger

Industrial Engineers and Consultants

Mild Virginia
"EXPORT"
CIGARETTES
For constant smoking pleasure

★

...All ticked off Mr. Timpkins?

Being in the nature of a reminder of how the Royal Bank can help to make your holiday happy and carefree.

1. Make sure your valuables are safely tucked away in your *Safe Deposit Box*. Or stow them in our vaults for *safe-keeping*. The cost is trifling. Ask at any branch.

2. Change your reserve cash into *Travellers' Cheques* . . . the safe worry-free way to carry travel funds. As good as money anywhere. If you lose them, you're not out a cent.

3. Should you run *short of cash* during your trip call on the nearest Royal Bank branch. The local manager is your direct line of communication back to your own home branch.

4. Arrange to have *your salary* or other income credited to your account in your absence. Clean up unpaid bills with Cheques against your Royal Bank account or mail Royal Bank Money Orders.

5. Should you wish to combine *business with pleasure* you will find the local Royal Bank Manager in any district a mine of information on local business conditions.

6. If you are *travelling abroad*, remember The Royal Bank operates branches in the West Indies, Central and South America, New York, London and Paris . . . each branch a home-from-home in all financial matters.

United States Tourists are cordially invited to use our branches for cashing Travellers' Cheques, negotiating Letters of Credit or for any banking service.

THE ROYAL BANK OF CANADA

THE WEEK'S QUOTATIONS

Montreal and Toronto
Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JULY 19

Range 1946 High	Low	Div R'te $	July 19 Y'ld %		Sales	Last July 12	Week end. July 19 H	L	Cl'se
22½	14	•	...	Abitibi n.	7697	19½	19½	17½	19½
21½	17½	•	...	Do. $1.50 pf n	13015	18½	18½	17½	17½
40½	37½	.	...	Do. $2.50 pf n	80	37½	38	38	38
24	20½	1.00	4.6	Acadia Atlan A	725	22	22½	22	22
12	9½	.	...	Acme Glove n.	150	9½	11	10½	10½
41½	28	1.80	4.8	Agnew Surp.	510	37½	38	37	37½
28	21	.	...	Algoma Steel	50	22	21½	21½	21½
27	26	1.00	3.7	Alum of C p n	1460	26½	27	26½	27
230	129½	8.00	3.9	Aluminium	1250	204	205	200	202½
57	44½	2.75	5.1	Ang Can Tel p	50	55½	54½	54½	54½
12	8	.	...	Argus	4710	8½	8½	8	8
105	98	4.50	4.5	Do. 4½% pref	125	99	98½	98	98
3.65	1.00	.	...	Do. Warr.	2662	2.25	2.25	1.75	2.25
35	29	.90	2.7	Asbestos	1112	30	30	29	29
				Ashdown Hdwe	1345	16	17	15½	16½

[illegible]

Range 1946 High	Low	Div R'te $	July 19 Y'ld %		Sales	Last July 12	Week end. July 19 H	L	Cl'se
75½	83½	x2.00	..	Fraser Cos.	1122	65	65	63	63
20	13½	x.75	...	Gatineau Pwr.	760	19	19	18	18½
111	105	5.00	4.5	Do. pref.	385	111	110½	109½	110
7½	5	.	...	Gen. Bakeries.	1350	8½	5½	5	5½
20	9	.	...	Gen Product A	75	17	20	19½	19½
101	100	5.00	5	Do. pref.	10	101	100	100	100
20½	17½	.80	4.4	Gen. St. Wares	785	18½	18½	17½	18
109	105	5.00	4.6	Do. pref.	10	108½	108½	106	106
37½	24	x.75	...	Godfrey	1	37½	36	36	36
125	99½	x2.00	..	Goodyear Tires	18	120	120	118	120
58	52	2.50	4.8	Do. pref.	2001	52½	53½	52	52
13½	11½	•	...	Gord McKay A	700	11½	11½	11½	11½
59½	59½	•	...	Gord Belyea	10	..	59½	59½	59½
22	17½	.	...	Grafton (A)	115	21½	21½	21½	21½
35	15	x.50	...	Gt. Lakes Pap.	845	28	27	25	25
70	43	1.50	2.3	Do. A & B	545	65	65	63	66
54	47	3.00	5.7	G W Saddl'y P	20	54	54	54	54
				Gypsum, Lime.	1155	17	17½	16	16½

[illegible]

Mining Stocks

[illegible]

Oil Stocks

Range 1946 High	Low	Div. Rate $	July 19 Yield %	Company	Sales	Last July 12	Week Ending July 19 High	Low	Close
.11	.07	.....	....	Acme G.&Co	1,100	.08½	.08½	.08	.08½
.34½	.10	.....	....	Alta.P.Cons.	1,650	.12	.13	.12	.12
.09½	.04	.....	....	Anaconda	3,000	.04	.04½	.04½	.04½
1.37	.95	■.05	....	Anglo Can.	13,700	1.10	1.15	1.00	1.09
.23	.08½	.....	....	Apex	11,150	.09½	.09½	.08½	.08½
.55	.20	.....	....	Br. Dom.	22,000	.21½	.27	.21	.22
2.90	1.80	.10	5.6	Calg. & Ed.	9,870	1.99	2.01	1.80	1.80
.86	.25	.....	....	Calmont	9,200	.30	.32	.29½	.30
.51	.40	.....	....	Common P.	700	.40	.40	.40	.40
.20½	.10	‡.01	....	Davies Pete	2,600	.12	.12½	.12	.12
.13	.06	.....	....	East Crest.	14,500	.07	.07	.06	.06
2.15	1.45	‡.12½	....	Foothills	5,600	1.61	1.70	1.60	1.50
.14½	.06	.....	....	High Sarcee.	5,500	.06	.06½	.06	.06½
4.40	2.80	■.15	....	Home	4,610	3.05	3.10	2.80	2.90
.11	.05	.....	....	Homestead	21,400	.07	.07	.06½	.07
.08	.04	.....	....	McLeod	1,000	.05	.05	.05	.05
.11	.04½	.....	....	Mercury	2,000	.05	.05½	.05½	.05½
.17	.06	.....	....	Midcont	18,500	.08	.07	.06	.06½
.07	.03½	.....	....	Oil Select	1,000	.04½	.04½	.04½	.04½
.90	.40	.....	....	Okalta	1,100	.47	.47	.46	.46
.18	.05	.....	....	Pacalta	7,300	.08	.08	.08	.08
1.65	.75	.....	....	Pac. Pete	1,900	.82	.82	.81	.82
1.57	.80	.....	....	Rozana	50,200	.92	1.20	.90	1.18
.05½	.03	.....	....	Royal Can.	4,000	.03½	.03½	.03	.03
25.50	17.50	1.00	5.6	Royalite	260	18.50	18.25	17.75	18.00
.16	.09	.....	....	Vanalta	2,500	.12	.13½	.13	.13
.40	.20	.....	....	Vulcan	300	.20	.20	.20	.20

*Paid in 1944. •N. Y. Funds. †Paid in 1945. xExtra. ■Sub. app. F.E.C.B. ‡Paid or payable in 1946. ‡Capital Repayment.

Volume of Stock Sales

	Montreal	Toronto	Vancouver	New York
July 22	94,100	918,000	31,899	920,000
July 20	......	......	......	......
July 19	132,900	1,150,000	86,415	880,000
July 18	85,100	745,000	53,784	1,000,000
July 17	97,800	850,000	50,821	1,250,000
July 16	115,000	843,000	40,710	1,650,000

STOCKS NOT TRADED THIS WEEK

[illegible]

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

July 23, 1946

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	105⅛	106
3	Mar. 1954	105⅛	106⅛
3	Nov. 1956	105⅛	106⅛
3	May 1957	104⅞	105⅛
3	Jan. 1959	104½	105
3	June 1960	104½	105
3	Feb. 1962	104½	105
3	Dec. 1946	100⅞	100⅞
2½	Mar. 1948	101½	101⅞
1½	Nov. 1946	100½	100⅞
1½	May 1947	100½	100⅞
1½	Mar. 1948	100⅞	101
1½	Nov. 1948	100⅞	101
1½	Nov. 1950	100½	101
3	Oct. 1963	104½	105
3	Sept. 1966	104½	105
1½	Nov. 1949	100½	101
Dom. of Canada Bonds			
3½	Nov. 1951	103½	104
4	Oct. 1952	103	103⅞
3½	Feb. 1952	105	105⅞
3	Oct. 1952	103½	104½
3	June 1955	104	104⅞
4½	Nov. 1956	100⅞	101½
4½	Nov. 1957	103⅞	104½
3	June 1958	104½	105
4½	Nov. 1958	105⅞	106⅞
4½	Nov. 1959	108½	108⅞
3½	June 1966	105⅞	106⅞
3	Perpetual	103½	104½
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959	103½	104½
4½	Sept. 1951	113½	114½
4½	Feb. 1956	120½	122

%	Due	Bid	Ask
4½	July 1957	122	124
3	Feb. 1953	101½	102⅞
4½	June 1955	121½	123
3	Feb. 1954	118	118⅞
5	Feb. 1970	115⅞	117½
5	Oct. 1969	115½	117
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	121½	123⅞
Grand Trunk Pacific Rly.:			
3	Jan. 1962	108	109½
4	Jan. 1962	119	120½
Provincial Govt. Bonds			
New Brunswick:			
3	Oct. 1951	101½	...
2½	Aug. 1949	100⅞	102
3½	June 1956	104½	106
4½	Apr. 1961	119	121
5	Jan. 1960	123	125
Nova Scotia:			
3	Jan. 1952	103⅞	105½
3½	June 1956	104½	106
3½	Nov. 1950	105½	107
4½	Sept. 1952	102½	105
4½	Nov. 1960	121	123
5	Mar. 1960	125	127
Ontario:			
3	Nov. 1950	101½	102½
3½	Nov. 1951	104	105½
3½	May 1955	105⅞	107½
4	June 1962	118	120
4½	June 1950	109	110½
4½	Jan. 1962	124	126
5	Oct. 1948	106½	108
5	Dec. 1960	129	131
Ont. Hydro Commission:			
3½	Feb. 1953	104½	105⅞

%	Due	Bid	Ask
3½	Apr. 1947	101	102½
Prince Edward Island:			
4	Mar. 1954	102	105
Quebec:			
3	Nov. 1947	101½	102⅞
3½	Mar. 1948	101½	103½
3½	Mar. 1948	105½	107
3½	Mar. 1959	106⅞	108½
4	Nov. 1952	106½	108½
3½	Feb. 1955	113	115
4½	Aug. 1958	118	120
4½	Jan. 1963	118	120
Alberta:			
3½	June 1964	101½	...
3½	June 1966	101½	...
3½	June 1968	102	...
3½	June 1972	102	...
3½	June 1976	102	...
British Columbia:			
4	Dec. 1957	112	114½
4½	Jan. 1951	109½	112
4½	Oct. 1953	113½	115½
5	Apr. 1954	117½	119½
6	Feb. 1947	102	...
Manitoba:			
4	Mar. 1957	112	114
4½	Dec. 1956	115½	117½
5	Dec. 1959	124	126
5	Oct. 1955	120	...
6	Apr. 1947	103⅞	...
Saskatchewan:			
4	Sept. 1954	101⅞	103⅞
4	Nov. 1960	103½	105½
4½	Oct. 1951	105	107
4½	Mar. 1960	108	110
5	Aug. 1958	112½	114⅞
5½	Oct. 1952	111	113
6	Mar. 1952	112	114

Unlisted Stocks

(Compiled from quotations supplied by Kamm, Garland & Co., Kippen & Co. Inc., and Plaxton, McDonnell & Co.)

July 22, 1946

	Bid	Ask
Allens Toronto units	38.00	....
Anglo Can. Telephone A	12.00	13.25
Brandram Henderson	14.00	15.50
British Mortgage and Trust	165.00	....
B. C. Sugar	95.00	99.00
Canada Machinery com.	18.00	19.25
Canada Tea pfd.	7.50	....
Canadian Airways	4.00	4.50
Can. Ingersoll Rand	65.00	68.00
Can. Investors Corp.	8.00	9.00
Canadian Motor Lamp A	12.50	14.00
Can. Silk Products "A"	30.00	31.50
Can. West Nat. Gas pfd.	106.00	....
Capital Trust Co. $100 par	76.00	....
Capital Wire Cloth pfd.	23.00	....
Cawthra Apts. units	4.50	....
Chase, A. W. units	32.00	....
Colonial Steamships com.	83.00	89.00
Commercial Finance com.	12.00	14.00
Commercial Life 10% paid	7.00	8.50
Commonwealth Int. Corp.	4.08	4.29
Confederation Life Assoc.		
30% paid	150.00	....
Continental Life 20% paid	38.00	....
Crown Trust Co.	101.00	104.00
Detroit Internat. Bridge	15.00	16.50
Dover Industries Ltd.	12.75	14.00
Dunlop Tire pfd.	25.50	27.25
Eddy Paper, A	21.75	22.75
Empire Life Ins. 25% paid	16.50	18.50
Federal Foundries & Steel		
new com.	2.75	3.35
Foreign Power Sec. pfd.	12.00	15.00
Galt Brass comm.	38.00	....
Goderich Elevator & Trans.	16.00	17.50
Great Lakes Power pfd.	114.00	116.00
Great West Life	420.00	450.00
Guardian Realty pfd.	34.00	....
Guaranty Co. of N. Amer.	350.00	....
Guelph and Ont. Svgs. $50	55.00	....
Gurney Foundry pfd.	3.20	4.00
Hart Battery com.	8.75	9.75
Lambton Loan & Inv. $50.	56.00	....
Loblaw Groc. Inc.	22.00	23.50
London & Western Trust $100	95.00	....
Manufacturers Life Ins.	290.00	320.00
Midland Loan & Svgs. $10	18.00	....
Monarch Life Assoc. 30% paid	82.00	90.00
Monarch Mtge. units	4.00	4.75
Montreal Island Pwr. pfd.	....	40.00
Montreal Trust Co.	93.00	....
Nat. Drug & Chem. com.	9.50	10.50
New Brunswick Telephone	13.50	....
Ont. Beauty Supply pref.	20.00	21.50
Ont. Beauty Supply com.	2.50	2.75
Ont. Tobacco plant units	37.00	....
Paramount Kitchener units	55.00	....
Provincial Bank of Canada	13.00	14.00
Provincial Paper pfd.	106.50	109.50
Prudential Trust	9.00	....
Ruddy E. L. pfd.	145.00	....
St. John Drydock pfd.	104.00	....
Sawyer Massey com.	2.25	3.25
Seiberling Rubber com.	12.00	....
Sincennes McNaughton Tugs	2.00	....
Sherbrooke Trust	133.00	....
Sovereign Life Assce. 25%	37.00	....
Standard Fuel 6½% pfd.	110.00	....
Sun Life Assce.	335.00	360.00

Grain Prices

Winnipeg Grain Futures

Week to July 22, 1946

Crop year from Aug. 1, 1945 High	Low		High for week	Low for week	Close July 22
		Oats*			
.51⅛	.51⅛	May	.51⅛	.51⅛	.51⅛
		Barley*			
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye			
3.15	1.49¼	July	2.86	2.71	2.80
2.87	1.50⅞	Oct.	2.36½	2.11½	2.12⅞
2.77⅜	1.81⅛	Dec.	2.27⅞	2.02⅞	2.03½

*At ceiling.

Cash Quotations

	For Week July 22 High	Low	Prev. Week High	Low
Oats*				
2 C. W.	.51⅛	.51⅛	.51⅛	.51⅛
3 C. W.	.51⅛	.51⅛	.51⅛	.51⅛
Barley*				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye				
2 C. W.	2.89	2.71	3.01	2.91

*At ceiling.

Unlisted Mines

Approximate quotations, 3 p.m., July 22, subject to confirmation:

	Bid	Ask
Abenakis	.06	.09
Advance	.10	.13
Alb Riv n	.30	..
Alcan	.07	.09
Alexander	.17	.19
Aljo	.03½	.04½
Ama Kir	.09	.11
Anna'que	.06	.08
Anoki	.05	.07
Apex Oil	.03	.04
Argonaut	.08	.10
Arntfield	.03	.04
Audley	.03	.05
Aurlando	.05	.08
Aurora Y	.50	.55
Auterra	.03	.05
Barb L n	.03	.05
Blondor	.07½	.09
Bl Grass	.06	.08
Bouzan	.07	.09
Bour Cen	.07	.09
Brae Br	.03	.05
Bravo	.05	.07
Brewis	.20	.25
Brig RL	.10½	.12
Brock	.14	.17
Burley P	.03	.04
Camlaren	.09	.11
Carlmac	.25	.30
Carriconna	.05	.07
Cassidy	.20	.23
Cen Mani	.06	.06½
Cheskirk	.13	.15
Chimo	..	.45
Cock R L	.06	.07
Columbier	.15½	.16½
Con Chib	.27	.32
Con Cop	.20	.23
Courageo	.12	.16
Craibbe	.21	.24
Croydon	.09	.11
Cuyuni	1.10	1.20
D'Aragon	.16	.19
Derlak	.05	.07
Detta	.18	.22
Despina	.21	.24
De Sant n	.08	.10
Dexter	.50	.60
Dom Mal	.03	.05
Dona Pat	.02	.04
Doris	.28	.30
Dunford	.05	.08
Eastward	.27	.31
Echo Ind	.11	.13
Electra	.12	.15
Elmac	.42	.46
Erin Kirk	.03	.05
Eurek Co	2.85	2.95
Flicka	.18	.21
Gilbec	.01½	.02½
Goodrock	.04	.05½
Gard Leb	.07½	.09
Gov Gold	.10	.12
Greenlee	.15	.18
Gwillam	.10	.11
Habitant	.10	.14
Harp Mal	.14	.16
Hayes CD	.03½	.05
Highgrade	.09	.11
Hornifault	.16	.18
Hoyle	.17	.20
Hugh P	.08	.10
Independ't	.12	.14
Indyke	.10	.17
Joannes D	.05	.07
Kamlac	.32	.35
Ken-Bay	.13	.17
Kencour	.08	.08
Kenda Pe	.20	.23
Kenroy	.05	.07
Lk Rowan 1945	.22	.26
Lk Expa	.08	.11
Lar-Add	.04	.06
Lard U	.06½	.08
La Salle	.13	.15
Lavalie	.08	.09
Legardo	.02½	.03½
Lignora	.10	.12
Louvore	.03	.05
MacFie	.22	.26
Major Oil	.06	.08
Mallen RL	.18	.22
Manterre	.05	.07
Marbenor	.22	.25
Marquet	.03	.05
Mar Bird	.10	.12
Mary Ann	.09	.12
Mat Con	.22	.25
Mate Yel	.07	.09
Metalore	.04	.07
Mic of C	2.50	3.00
Miles RL	.20	.25
Moffat H n	.02½	.03½
Moh'k P	.03	.04½
Murbell	.03½	.04½
Murmac	.17	.20
Mylamaq	.30	.33
McCuaig	.09	.11
McManus	.15	.17
Nat Mal	.20	.22
Nayb '45	.42	.47
Nereco	.18	.20
New Aug	.09	.11
New Mal	.04	.06
Nic Off	3.00	..
Norbeau	.58	.63
Norcourt	.10½	.12
Norford	.06	.09
Normar	.11	.14
Nortyne	..	.06
Novelo P	.07	.09
Obalski	.15	.17
do 1945	.40	.45
Obaska	.18	.22
Okled	.05	.07
Olivet	.01½	.02½
Opemiska	.18	.21
Orpit	.06	.10
Ortona	.05	.07
Pascalis	.23	.27
Peg Tan	2.35	2.50
Pelangio	.06	.08
Phelps	.04	.07
Pinnacle	.07	.09
Poona Go	.03	.04
Preador	.03½	.04½
Privateer	.30	.35
Quest	.26	.29
Rajah RL	.07	.09
Rambull	.03	.05
Rand Mal	.09	.11
Raym Tib	.06	.08
Redruth	.05	.09
Rebair	.30	.35
Redwood	.07	.09
Richgroup	.10	.12
Ritoria	.05	.07
Rhyolite	.04	.05
Rupununi	.32	.35
Salmita	.22	.27
Santiago	.38	.43
Sheldon	.43	.48
Skyn Lk	.03	.05
Sovereign	.14	.17
Steeber	.02	.04
Sun Bear	.07	.09
Thornhill	.08	.10
Tiffany	.05	.07
Tobico	.03	.04
Tovarich	.02½	.03½
Val d'Bel	.06½	.07
Vin Min	.85	1.00
Vinray	.20	.24
Virginia	..	.23
Wesley	.02	.03
West RL	.06	.08
W Shore	.03	.05
Wilwood	.04	.06
Winchest	.16	.18
Wingait	.13	.15
Yel'knife	2.50	2.80
Y Davids	.20	.24

Significant Investors' Index Numbers

(Base 1935-39=100)

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	18	100
*1935 to date: High	210.3	287.9	149.7	123.7	214.4	138.5	441.7	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.3	41.3	78.4	73.5	79.3	66.7	60.3	60.0	63.3	61.1
1946: Monthly Figures:												
Jan.	168.2	252.6	130.6	90.0	183.7	127.8	357.8	149.0	125.7	121.6	148.6	123.5
Feb.	172.9	248.5	132.1	84.8	187.8	130.3	334.0	150.5	122.7	126.8	146.0	121.8
Mar.	189.2	244.4	130.6	81.6	186.8	129.0	327.8	148.6	121.7	129.2	142.4	119.2
Apr.	207.0	277.3	141.4	84.6	200.2	134.8	353.8	160.6	124.8	133.6	145.4	125.1
May	205.7	278.2	140.8	74.7	208.3	136.6	410.6	164.0	117.8	134.2	140.7	124.4
1946: Weekly Figures:												
June 6	207.1	284.7	137.4	74.3	214.4	137.3	412.3	167.6	108.8	133.9	136.6	123.6
June 13	204.3	286.1	141.2	73.1	210.9	136.5	409.4	167.6	110.0	135.5	141.4	124.5
June 20	199.7	277.3	143.7	71.9	208.8	134.6	402.0	166.7	109.7	135.2	136.4	121.7
June 27	197.2	282.0	144.3	73.1	209.2	135.2	417.3	166.0	111.6	135.7	139.2	123.3
July 4	197.9	275.2	142.9	72.8	209.6	135.6	425.0	162.9	113.5	136.3	138.6	123.3
July 11	192.5	272.1	142.0	72.4	208.4	134.9	441.7	159.9	112.3	136.3	134.1	120.7
July 18	191.3	263.6	142.3	72.1	205.6	134.0	431.4	157.0	108.1	135.9	131.3	118.6

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
July 22	197.66	100.27	89.23	24.33
July 20	.....	.....	.....	.....
July 19	197.89	101.33	90.07	25.09
July 18	198.67	103.95	90.35	25.19
July 17	199.02	104.50	91.22	26.26
July 16	193.20	105.68	91.32	25.60
Month ago	203.35	119.91	98.80	26.20
Year ago	130.81	123.30	83.26	28.75
1946 High	207.83	147.31	108.20	33.69
1946 Low	178.73	100.27	89.23	24.33

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	20 Comb.	10 Pprs.	15 Golds
July 22	77.1	138.1	117.8	345.47	80.39
July 20	...	.....	.....	.....	.....
July 19	77.3	138.3	118.0	350.80	80.56
July 18	77.6	139.3	118.9	353.73	81.49
July 17	77.7	139.7	119.1	356.15	81.53
July 16	77.2	139.8	118.9	357.70	81.88
Month ago	79.1	145.6	123.4	376.90	97.39
Year ago	67.1	102.1	90.4	193.91	90.57
1946 High	83.9	149.4	126.7	410.80	118.56
1946 Low	73.5	126.3	109.4	304.39	80.39

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
July 22	200.54	62.78	40.58	74.39
July 20	......	......	......	......
July 19	201.13	62.98	40.72	74.63
July 18	201.86	63.19	40.83	74.88
July 17	202.25	62.95	40.85	14.90
July 16	200.71	62.78	40.52	74.42
Month ago	203.56	66.33	41.82	78.49
Year ago	161.65	58.99	32.64	61.92
1946 High	212.50	68.23	43.74	79.44
1946 Low	186.02	60.52	37.97	69.81

	Div. rate $	Last sale	July 19 Bid	Ask
Federated P.	...	.38	..	..
Freehold	...	.01	..	..
Gaspe	...	.75	..	..
Grease Creek	...	.03½	..	..
Hargal	...	.02	..	..
Jump. Pound	...	.18	..	..
Kitalto	...	.13	..	..
Lethbridge	...	.01	..	..
Lowery	...	.01	..	..
Mar Jon	...	.00½	..	..
Madison	...	.01½	..	..
Marvel	...	.04	.03½	.05
McD. Segur.	...	.07	.06	.07
Merland	...	.02	..	..
Mill City	...	.06	.06	..
Model	‡.02	.18	.17	.22
Nat. Petroleum	‡.01	.15	.10	..
New Ranch	...	.01½	..	..
Nordon	...	.21	..	..
Phillips P.	...	.03	..	..
Princess P.	...	.10	..	..
Richland	...	.04½	..	..
Richfield	...	.01	..	..
Royal Crest	...	.05	..	..
Share Roy.	...	.02½	..	..
So. Brazeau	...	.04	..	..
South End	...	.10	..	..
South West Pete.	...	.20	.18	..
Spooner	...	.07½	.08	..
Sunset	‡.01	.08	.08½	..
Superior	...	.20	..	..
Texas Can.	...	1.25	1.25	1.40
Trans Alta.	...	.03	..	..
Turner V.	...	.10	..	..
United Oils	...	.08	.08	.10
Warner	...	.00½	..	..
Wellington	...	.03	..	..

†Paid in 1945.
‡Paid or payable in 1946.
*N.Y. funds.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.92	5.38
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	5.05	5.65
Can. Invest. Corp.	8.00	9.00
Commonwealth Int.	3.90	4.29
Corporate Inv.	9.65	10.35
Trans-Canada (A)	15.00	....
Do. (B)	....	14.50

Dividends Declared

	This payment $	Date payable	Date of record
Acadia-Atla., A ..	.25	Oct. 1	Sept. 10
Do., 5% pfd.	1.25	Sept. 16	Aug. 20
Agnew Surpass ..	.45	Sept. 2	July 31
Aluminium Co. of Can.	.25	Sept. 1	July 31
Ang.-C. Tel. 5½%	.68¾	Aug. 1	July 10
Anglo-Huron	.10	July 31	June 29
Anglo-Can. Tele...	.68¾	Aug. 1	July 10
Atlas Steel	.25	Aug. 1	July 16
Ault & Wiborg ...	1.37½	Aug. 1	July 15
Aunor Gold	.05	Aug. 31	Aug. 9
B. C. Electric Ry. ..	2½	July 15	June 28
B. C. Pulp & Paper 7% pf.	1.75	Aug. 1	July 15
Bath. Pr.	.25	Sept. 2	Aug. 2
Bk. of Montreal ..	.20	Sept. 3	July 31
Bk. of Nova Scotia	.30	Aug. 1	July 16
Bk. of Toronto ...	.25	Sept. 3	Aug. 15
Beaver Lumber ...	.50	Aug. 1	July 16
Belding Cort.	1.50	Oct. 1	Aug. 31
Do., 7% pf.	1.75	Oct. 1	Aug. 31
Bertram & Sons, A	*.25	Aug. 15	July 31
Blue Ribbon	.62½	Aug. 1	July 20
Brant. Roofing ..	*.25	Aug. 1	July 15
B. A. Oil	.25	Oct. 1	Sept. 5
Butterfly Hosiery 7% pfd.	3.50	July 30	June 30
Caldwell Linens .	.25	Aug. 1	July 10
Do., 1st pf.	.38	Aug. 1	July 10
Do., 2nd pref. ..	.20	Aug. 1	July 10
Calgary Pr. 6% pf.	1.50	Aug. 1	July 10
Can. Iron Found...	.40	Aug. 1	July 15
Do., 6% pf.	.30	Aug. 1	July 15
Can. N. Pwr.	.15	July 25	June 20
Can. Invest. Corp. .	.10	Aug. 1	July 8
Can. Indust. A & B	1.30	July 31	June 28
Cockshutt Plow ..	.25	Dec. 2	Nov. 2
Confed. Life	1.50	Sept. 15	Sept. 10
Do.	1.50	Dec. 15	Dec. 10
Crown Cork	.50	Aug. 15	July 15
Can. Bk. Comm.	.20	Aug. 1	June 29
Can. Bronze	.37½	Aug. 1	July 10
Do., 5% pf.	1.25	Aug. 1	July 10
Can. Food Prod....	.12½	Oct. 1	Aug. 31
Do., pf.	.25	Oct. 1	Aug. 31
C. P. Rlwy. 4% pf.	2%	Aug. 1	July 1
Can. Convert. A.	.18¾	July 31	July 2
Can. Oil	.15	Aug. 15	Aug. 1
Do., 8% pf.	2.00	Oct. 1	Sept. 20
Do., 5% pf.	1.25	Oct. 1	Sept. 20
Can. Utilities	‡1.25	Aug. 15	July 26
Conduits Nat.	.15	Aug. 8	July 25
Coast Brew.	.03+.03	Aug. 1	July 17
Commonwealth ...	.04	Aug. 15	July 15
Con. Press	.25+.05	Oct. 1	Sept. 31
Candn. Car	.20	Aug. 22	July 29
Do., pf.	.25	Aug. 22	July 29
Candn. Invest. ...	.05	Aug. 1	July 15
Davies Pete.	.01	July 20	July 2
Dist.-Seag. 5% pf	†1.25	Aug. 1	July 16
Dom. Anglo Invest. 5% pf.	1.25	Sept. 2	Aug. 15
Dom. Bank	.25	Aug. 1	July 15
Dom. Coal, 6% pf.	.38+1.87	July 31	June 29
Dome Mines	.30	July 30	June 29
Dom. Fabrics	.20	Aug. 1	July 15
Do., 1st pf.	.75	Aug. 1	July 15
Do., 2nd pf.	.37½	Aug. 1	July 15
Dom. Oilcloth ..	.30+.10	July 31	July 2
Dom. Malt	.20	Aug. 1	June 30
Do., 5% pfd. ..	1.25	Aug. 1	June 30
Dom. Stores	.25	Sept. 14	Aug. 17
Dom. Tar & Ch...	.25	Aug. 1	July 2
Donnacona P.	1.12½	Aug. 15	July 15
Electrolux	.50	Aug. 2	July 2
Esmond Mills 5% p.	.25	Aug. 1	July 5
Fed. Grain	2.00	July 31	July 12
Fraser	.50	July 25	June 29
A. J. Freiman	1.12½	Aug. 1	July 15
Gen. Steel Wares .	.20	Aug. 15	July 17
Do., 5% pf.	1.25	Aug. 1	July 3
Goodyear Tire ..	.21¼	July 31	On Rec'd.
Hallnor Mines	.07	Aug. 31	Aug. 9
Howard Smith	.25	July 30	June 29
Do., pf. $2.00 ...	*.29	July 30	June 29
Hud. Bay	.50	Sept. 9	Aug. 9
Hydro-Elec.	.25	Aug. 1	June 28
Imp. Bk. of Can.	.25	Aug. 1	June 29
Inter. Holdings ...	.50	Aug. 15	July 15
Intnl. Coal & Coke	.01½	Aug. 1	July 19
Intnl. Utilities	.22½	Sept. 3	Aug. 14
Int. Nickel, 7% pf.	1¾%	Aug. 1	July 3
Kerr-Addison	.05	Aug. 28	July 31
Lake of Woods..	.30	Sept. 3	Aug. 3
Do., 7% pf.	1.75	Sept. 3	Aug. 3
Lamaque G. Mines	.08	Oct. 1	Aug. 26
Langley's 7% pfd.	.50	Sept. 11	Sept. 4
Do.	.50	Dec. 11	Dec. 4
Laura Secord	.20	Sept. 2	Aug. 1
Leitch Gold	.02	Aug. 15	July 31
Loblaw Gr., A & B	.25	Sept. 2	Aug. 7
Maple Leaf Gard.	.70	Aug. 15	Aug. 1
McCabe Grain ...	.15	Aug. 1	July 15
Mercury Mills	.25	Aug. 1	July 15
Monarch Knit ...	▪.20	Oct. 1	Aug. 31
Do., 5% pf.	1.25	Oct. 1	Aug. 31
McIntyre Porc. ..	.55½	Sept. 3	Aug. 1
Mt. Royal Rice ..	*.12½	July 31	July 8
Mtl. Cottons	.13	Sept. 14	Aug. 15
Do., pfd.	.44	Sept. 14	Aug. 15
Nat. Biscuit	.30	Oct. 15	Sept. 10
Do. 7%	1.75	Aug. 31	Aug. 13
Noranda	1.00	Sept. 14	Aug. 15
Ogilvie Flour	.25	Oct. 1	Aug. 28
Do., 7% pf.	1.75	Sept. 3	July 26
Ont. Steel	.25	Aug. 15	July 15
Do., 7% pf.	1.75	Aug. 15	July 15
Photo Eng.	1.00	Sept. 14	Aug. 15
Penmans	.75	Aug. 15	July 15
Do., 6% pf.	1.50	Aug. 1	July 2
Power Corp.	.30	July 31	June 28
Purity Flour	.62½	Aug. 1	July 5
Purity Flour Mills	.62½	Aug. 1	July 5
Quebec Pwr.	.25	Aug. 26	July 18
Quinte Milk	15+.10	Aug. 1	July 20
Reg't Knit $1 60 p.	.40	Sept. 1	Aug. 1
Do.	.40	Dec. 2	Nov. 2
Robinson Cotton .	.10	Aug. 1	July 2
Rolland Paper	.15	Aug. 15	Aug. 1
Do., 4½% pfd. .	1.06¼	Sept. 16	Sept. 2
Royal Bank	.20	Sept. 3	July 31
Shawinigan Wtr. .	.25	Aug. 26	July 18
Sherwin-Williams.	.15	Aug. 1	July 10
Sigma Mines	.30	July 27	June 28
H. Simon & Sons.	.30	Sept. 3	Aug. 5
Do., 5% pf.	1.25	Sept. 3	Aug. 5
N. Slater	.30	Aug. 1	July 10
St. Law. Flour ..	.40	Aug. 1	June 29
Do., 7% pf. ...	1.75	Aug. 1	June 29
Simpsons, A	.50	Aug. 26	Aug. 1
Do., B	.50	Aug. 26	Aug. 1
Do., 4½% pfd.	1.12½	Sept. 16	Aug. 15
Southern Can. Pr.	.20	Aug. 15	July 19
Stanley Brock, A .	.15	Nov. 1	Oct. 15
Do., B	.10	Nov. 1	Oct. 15
Stan. Chem. 5% p.	1.25	Sept. 1	July 31
Stanley Brock, A .	.15	Aug. 1	July 15
Do., B	.10	Aug. 1	July 15
Steel Co. of Can. .	.75	Aug. 1	July 8
Do., 7% pf.	.75	Aug. 1	July 8
Stuart Oil	.20+.25	Sept. 1	Aug. 15
Southam Co.	.19	Aug. 15	July 15
Teck-Hughes	.05	Oct. 1	Aug. 26
United Corp.	.38	Aug. 15	July 15
Do. (B)	.25	Aug. 30	July 31
Unit. Fuel 6% A p.	.75	Oct. 1	Sept. 10
Unit. Grain Grow.	1.00	Sept. 1	July 17
Waite Amulet	.15	Sept. 10	Aug. 9
Wellington Fire ..	1.75	Aug. 15	Aug. 12
Wood, A. & J., Ltd.	1.75	Aug. 1	July 15
Zellers Ltd.	.25	Aug. 1	July 15
Do., 5% pf.	.31¼	Aug. 1	July 15
Do., 6% pf.	.37½	Aug. 1	July 15

†N.Y. funds.
*Initial.
▪For period June 1-Sept. 30.
‡Sub. appr. F.E.C.B.

Company Meetings

1946	Company	Place
July 30	Can. Converters	Montreal
July 30	Foundation of Can.	Montreal
July 30	Standard Radio	Toronto
Aug. 8	Western Grocers	Winnipeg
Aug. 21	Canada Cement	Montreal

BOND TENDERS

12 noon, July 25, 1946, Canada Treasury Bills—$75,000,000, dated July 26, payable Oct. 25, 1946.

RECORD OF FINANCING

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporations and Foreign Securities

Dominion

Dominion of Canada Treasury Bills—Payable Oct. 11, 1946, $75,000,000, dated July 12, 1946. Sold at average discount price of $99.89961, average yield .403%.

Municipalities

Village of La Sarre, P.Q.—3%, due July 1, 1947-55, $30,000, dated July 2, 1946, at $99, cost basis 3.09%. Sold to St. Onge & Fournier Inc.

Parish of Notre-Dame-de-Portneuf, P.Q.—3%, due Oct. 1, 1946-65, $37,500, dated July 2, 1946, at $100.28, cost basis 2.962%. Sold to Banque Canadienne Nationale.

Town of Beauharnois, P.Q. — 3%, due July 1, 1947-66, $46,200, dated July 8, 1946, at $101, cost basis 2.90%. Sold to Dominion Securities Corp.

City of Moncton, N.B.—3%, due Aug. 1, 1966, $200,000, dated July 8, 1946, at $101.28. Sold to Dominion Securities Corp. and Bank of Nova Scotia.

City and County of St. John, N.B.—2%, 2½%, 2¾% and 3%, due Aug. 1, 1947-66, $135,000, dated July 15, 1946, at $100.81. Sold to Wood, Gundy & Co.

Bond Issues

Avalon Telephone—3½%, due Aug. 1, 1966, $1,350,000, dated July 15, 1946. Offered at $101 by W. C. Pitfield & Co.

Seiberling Rubber Company of Canada—3¼%, 3¾% and 4%, due July 15, 1947-66, $700,000, dated July 15, 1946. Offered at $102.50 by Bankers Bond Corp.

Newfoundland Light and Power—3¼%, due July 1, 1966, $2,750,000, dated July 1, 1946. Offered at $100 and accrued interest by Royal Securities Corp.

Stock Issues

Silverwood Dairies — 160,000 class A shares (no par value) at $13.25 per share, to yield approximately 4.53%. Offered by Harrison & Co.

DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817

[redacted] DIVIDEND No. 333

NOTICE is hereby given that a DIVIDEND of TWENTY CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the THIRD day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1946.

By Order of the Board,
B. C. GARDNER, [redacted]
General Manager.

Montreal, 16th July, 1946.

THE DOMINION BANK

DIVIDEND NO. 255

Notice is hereby given that a dividend of two and one-half per cent (twenty-five cents per share) on the paid up capital stock of this Bank has been declared for the quarter ending 31st July, 1946. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of August, 1946, to shareholders of record of the 15th July, 1946.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 13th June, 1946.

The John Bertram & Sons Co. Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty-five cents (25c) per share has been declared on the outstanding Class "A" stock of this company, payable August 15th, to shareholders of record, July 31st, 1946.

By Order of the Board.
J. W. McNAB,
Secretary.

Dundas, Ont.
July 11, 1946.

Corporation Bonds

(Supplied by Investment Dealers 'Association of Canada)
July 23, 1946

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▴Alg Cen. H.B.R.	5	'59	57	60	58
†Assoc. Tel. & T.	5½	'55	105	107½	105
B. C. Pwr.	4½	'60	102	104	102
Do.	4	'65	102	104	102
†Calgary Pwr. ..	5	'60	104	106½	104
Do.	5	'64	103	105½	103
Gatineau Pr. A	3¾	'69	104	...	104
♦Do., B	3¾	'69	104	...	104
Gt. Lakes Pwr.	4½	'56	102	104	102
Do.	5	'57	102	104	102
*Int. Hydro-El..	6	'44	99½	102½	100
L. St. Law. Pr.	3¾	'65	102	104½	102½
Mtl. L. H. & Pr.	3½	'56	101	103	101
Do.	3½	'73	100	102	100
Do.	3½	'63	102	104	102
†Mtl. Tramways.	5	'51	101½	104	101½
†Do.	5	'55	100	102½	100
Natl. Lt. & Pwr.	4½	'61	101½	104	101½
Otta. L. H. & P.	4	'57	102½	...	102½
Ottawa V. Pwr.	5	'59	101½	...	101½
Do.	4	'64	105½	...	105½
†Power Corp. ..	4½	'59	104½	...	104½
Quebec Pwr. ..	3	'62	101	103	101
St. Maurice Pr.	3¾	'70	102½	104½	102½
Shaw. W. & Pr.	3	'61	101	103	101
Union Gas	4½	'50	100½	102½	100½
†United Secs. ..	3	'52	99	102	99
†Wpg. El. Ser. A	3¾	'71	102	104	102
Industrial and Realty Issues:					
†Abitibi Pr. P..	5	'65	99	101½	99½
Acadia-Atlantic Sugar	3¾	'65	102½	...	102½
Algoma Steel ..	5	'48	101	103½	101
Aluminum Co.	3½	'74	105	...	105
†B. C. Pulp & P.	6	'50	100	102½	100
‡†Do.	7	'50	100½	103	100½
Brown Co.	5	'59	99	101½	99½
Burns & Co. ..	4	'63	101	103	101
Can. Celanese.	3½	'59	101½	...	102
Can. Cement ..	4½	'51	101	103	101
Can. Electric ..	4½	'65	101½	...	101½
Can. Steamship	3½	'57	101½	103½	101½
†‡Can. Vickers..	6	'47	...	...	101
C. W. Lumber	4	'62	101½	104	102
C. P. R.	3½	'51	104	...	104
Do.	4	'49	105	...	105
C. P. R.	4	Perp.	113½	...	113½
†Consol. Paper .	5½	'61	100½	103	101
Dom. Coal	4½	'52	101	103½	101
Dom. Scot. Inv.	4	'52	101	...	101
Dom. T. & Ch.	3½	'57	102	104½	101
Dom. Textile ..	3½	'59	102	104½	102
Dom. Woollens	5	'64	102½	105	102½
†Donnacona Pp.	4½	'56	99½	102	99½
*Dryden Pap. ..	4	'61	102	104½	101½
†Federal Grain..	4	'64	102½	105	102
*Great L. Paper	5	'55	102	...	101½
*Gurney Fdry...	5½	'49	102½	105	102½
†Gypsum Lime .	5½	'48	100	103	100
Inter-City Bak.	5½	'48	100	103	100
Indust. Accept.	4	'52	101	103½	101
Ins. Ex. Bldg...	3	'51	98½	101½	98½
*Inv. Bond & Sh.	5	'47	95½	98½	95½
Lake St. J. P..	5½	'61	102	104½	102
Do.	5	'61	101½	104	101½
Legare	6	'61	100	...	100
MacMillan (H.R.) Export	4	'65	102	104½	102
Maple L. M. ..	3¾	'63	102½	104½	102
Man. Sugar ...	5	'60	102½	104½	102½
Massey-Harris.	3	'66	100	102	100
McColl-Fron. .	4½	'49	101	...	101
McCormicks ..	4	'52	101½	...	101½
Mercury Mills.	4	'59	101½	104	101½
Moirs Ltd.	6	'53	99½	...	99½
Montreal Apts.	4	'54	97	100	97
N. S. Stl. Coal.	3½	'63	99	102	99
Price Bros. ...	3½	'66	103	105	103
*Prov. Paper ..	5½	'47	100	...	100
Silv. Dairies ..	4	'60-64	101	104	101½
Simpsons, Ltd..	3½	'60	102½	104½	102½
Toronto Elevat.	3½	'66	101	...	101
United Corp...	4	'58	101	...	101
†Western Grain.	5	'63	99	102	99
York K. Mills.	3½	'71	99½	102½	99½

*Payable in Can. or U. S.
†Payable in Can. U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▴Payable in Can. or U. K.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$13.59	$13.85	$12.15
Hogs	20.72	21.10	19.72
Copper, lb.	.14⅜	.14⅜	.12
Sugar, raw, lb. .	*.04205	.04205	.04205
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	.26	.15½	.15½
Weekly Indices			
U. S. Labor	120.7	117.2	105.6
Dow Jones	125.25	120.41	100.40
Fishers	127.6	123.6	115.3
Monthly Indices			
Retail (June) ..	123.6	122.0	119.6
W'sale (May) ..	124.4	125.1	97.2
U. S. (Mar.)	108.9	107.7	105.2
Gt. Brit. (Mar.) ..	171.9	171.6	†167.8

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee. Rio Sugar 96 degrees centrifugal c/f New York.

*Ceiling prices fixed by the office of Price Administration.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
‡Avalon Tel. ..	4½%	1958	Aug. 1	102½
‡B. A. Oil ..	2½-2¾%	1946-48	Sept. 3	100½
‡Do.	3%	1949	Sept. 3	102
‡Do.	3½%	1948	Sept. 3	100½
‡Do.	3¼%	1953	Sept. 3	101
‡Do.	2½-3½%	1553	Sept. 3	100½
‡Do.	2-2½%	1955	Sept. 3	100½
‡Can. Theatre ...	5%	1951	Sept. 1	100
‡Can. Vickers A.	6%	1947	Aug. 1	101
‡Dryden Paper .	6%	1949	Aug. 1	101
Gt. Lakes Pwr. .	5%	1959	Aug. 6	103½
Maple L. Mill..	3½%	1956	Aug. 1	101
Maritime Elec. ..	5½%	1956	Oct. 1	101½
‡Minas Basin P. & P.	5½-6½%	1949, '56-57	Aug. 1	103
‡Do.	5½%	1953	Aug. 1	101½
‡Do.	5½%	1954-55	Aug. 1	102
‡Mtl. Dry Docks	6%	1947	Aug. 1	101
Paton Mfg.	4½%	1956	Sept. 1	102
‡Silverwood Dair.	6%	1966	July 31	100

‡All outstanding.

Municipal Bonds

July 23, 1946

	%	Due	Bid	Ask.	Yld. %
Halifax	3½	1955	107¼	108¾	2.90
Hamilton ..	5	1950	109	110½	2.25
Montreal ..	3	1950	100	101	2.77
Ottawa	3	1953	105¼	106¾	2.00
Quebec	3	1964	100	102	2.85
†Quebec	5	1959	119	...	...
Saint John .	5	1950	109¼	111¼	2.35
†Toronto ..	4½	1955	116	...	...
†Vancouver.	5	1970	131	...	...
Winnipeg ..	7	1950	112	114	2.25

†Payable Canada and New York.

Parity Means $80,000 On Dryden Redemption

MONTREAL (Staff) — Dryden Paper Co. will realize a saving in excess of $79,500 on the retirement of the company's 6% first mortgage debt on Aug. 1. Before the equalization of the exchange value of the Canadian-U. S. dollar, holders of the $787,500 in called 6% first mortgage bonds were to have received $110 Canadian dollars for each $100 U. S. funds which they would have received had these bonds been surrendered in New York. Now the company advises that the redemption price of $101 and accrued interest will be paid in Canadian funds, if the bonds are presented in Canada for payment and in U. S. funds if presented in the U. S.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND No. 236

NOTICE is hereby given that a dividend of two per cent (twenty cents per share) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the third day of September next, to shareholders of record at the close of business on the 31st day of July, 1946.

By order of the Board.
JAMES MUIR
General Manager.

Montreal, Que., July 9, 1946.

The Bank of Toronto

DIVIDEND NO. 260

Notice is hereby given that a Dividend of Twenty-five Cents per share on the Paid-Up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office of the Bank and its Branches on and after the third day of September next, to shareholders of record at the close of business on August 15th, 1946.

By Order of the Board.
B. S. VANSTONE,
General Manager.

Loblaw Groceterias Co., Limited

NOTICE is hereby given that a quarterly dividend of 25 cents per share on the Class "A" Shares, and a quarterly dividend of 25 cents per Share on the Class "B" Shares of the Company have been declared for the quarter ending August 31st, 1946, payable on the 2nd day of September, 1946, to shareholders of record at the close of business on the 7th day of August, 1946. The transfer books will not be closed. Payment will be made in Canadian Funds.

By order of the Board,
R. G. MEECH,
Secretary.

Toronto, July 16, 1946.

Commoil Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of ½c per share has been declared on the outstanding no par value shares of the Company, payable August 26th, 1946, to shareholders of record at the close of business, August 10th, 1946.

The transfer books of the Company will not be closed.

By Order of the Board.
G. J. McKAY,
Secretary.

July 17th, 1946.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A DIVIDEND of 13c per share has been declared upon the Common Shares without nominal or par value, of the Company, and cheques will be mailed on the fourteenth day of September next, to shareholders of record at the close of business on the 15th day of August.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, July 17th, 1946.

The Montreal Cottons Limited

NOTICE IS HEREBY GIVEN THAT A QUARTERLY DIVIDEND of 44c per share, being at the rate of seven per cent (7%) per annum, has been declared upon the $25.00 par value seven per cent (7%) cumulative redeemable preferred shares of the Company, and cheques will be mailed on the fourteenth day of September next, to shareholders of record at the close of business on the 15th day of August, 1946.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.

Valleyfield, July 17th, 1946.

DIVIDEND NOTICE

BRITISH AMERICAN OIL COMPANY LIMITED

NOTICE is hereby given that a dividend of Twenty-Five Cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the third quarter ending September 30th, 1946. The above dividend is payable in Canadian funds, October 1st, 1946, to shareholders of record at the close of business on the 5th day of September, 1946.

H. H. BRONSDON,
Secretary.

Dated at Toronto, July 15th, 1946.

Argus Corporation Limited

Dividend Notice—Preferred Stock

Notice is hereby given that a dividend of one dollar and twelve and one-half cents ($1.12½) per share on the outstanding 4½% Cumulative Convertible Redeemable Preference Shares in the capital stock of the Company has been declared payable on the third day of September, 1946, to shareholders of record at the close of business on the thirty-first day of July, 1946.

By Order of the Board,
R. W. FINLAYSON,
Secretary.

Toronto, Ontario,
July 23, 1946.

Market Comment

After drifting downward for 1½ weeks following their sharp reaction to dollar revaluation, Canadian stock markets this week followed the New York lead with a sharp dip downward for all stock groups. Volume of trading increased on the drop—regarded as an unfavorable sign.

The only special reason suggested for the increased volume and sharp break was the indication of a further minor downward trend given by the Dow-Jones industrials average breaking through its 200.65 resistance level. This is said to have caused a wave of selling by followers of the Dow Theory.

Confusion over OPA's future and its effect on profit margins in the United States and the effect on earnings of strikes continued to contribute to the market weakness as did also the usual "summer doldrums."

Disappointment over the non-appearance of good news had caused an easing off in gold stocks all week. Desire to protect margins for this group is thought to have caused some of the selling of the industrials which, up to Tuesday, had made a better showing.

In spite of the bleak outlook, the majority of market experts still expect higher prices for stocks later this year. Some are reported waiting to see just how low stock prices will drop before resuming purchasing. In view of the "thinness" of the market, it might move as rapidly upward as downward once buying appeared, analysts say.

• • •

Barron's (New York) The Trader: Eleven years ago the defeat of the NRA launched the market on a rise that was not to terminate until March, 1937, but not for two weeks was the market able to better the level prevailing the day the NRA was repealed. Final death of the OPA after a long, lingering illness, may prove as major a development as the invalidation of the NRA. In all the discussion of the OPA, sight has been lost of the prospect of bumper crops, which in other years was, of itself, sufficient to assure national prosperity. Big crops are guaranty of a huge railroad traffic movement. In addition, production of major industries is still rising, and national income is rapidly swinging back to the wartime peak. Eventually, business earning power, now emerging from the strike eclipse, should receive its normal evaluation in the market place.

• • •

Barron's (New York) the Dow Theorist: The long-standing primary upward trend has not been negated under the Dow theory even though the last high point of the industrials was set on May 29 and for the rails on June 13. A bear-market signal would involve a joint decline in the two below their February bottoms of 186.02 for the industrials and 60.53 for the rails.

• • •

New Highs and Lows

During the week ended July 20 there were 16 new highs recorded among the "general" stocks traded on Canadian stock exchanges and 17 new lows. In the mining group there was one new high and 105 new lows. There were no new highs and four new lows in the oil stocks.

GENERAL

New Highs—1946

Bank of Tor. — Fleet Aircraft
Burns & Co. "A" — Huron & E. Mtge
C. Convert. "B" — John Inglis
Can. Fairb.-Morse — Maritime Teleg. c.
Dom. Square — Mont. Ref. & S. 1 p.
Dom. Tar V.T. — National Trust
Famous Players — United Distillers
Fed. Grain, pf. — Woods Mfg.

New Lows—1946

Abitibi p. new $1.50 — For. Power Sec. pf.
Belgium Glove c. — Gen. Steel Wares c.
Can. Bronze pf. — Goodyear Tire pf.
Can. Pac. Rlwy. — Hamilton Bridge
C. Car & Fdry. p. — M. Leaf Mill. c.
C. Celanese pf., n. — Montreal Cottons
Can. Silk — Sicks Brew. V.T., n.
Dom. Foundries — St. Law. Corp.
Ford Motors "A"

MINING

New Highs—1946

New Calumet

New Lows—1946

Alta, Anglo-Rouyn, Area, Arjon, Arntfield, Astoria Q., Atlas Y'fe., Bear Exploration, Beattie G., Berens R., Bevcourt, Bousquadillac, Boycon, Bridge River, Broulan, Buffalo Can., Bulolo Gold, Calder B., Callinan, Castle Treth., Centremaque, Cheskirk, Citralam, Coin Lake, Coniagas, Coniaurum, Conwest, Crestaurum, Delnite, Dome, East Sullivan, Elder, Elderidge, Falconbridge, Found Lake, Francoeur, Frobisher, Giant Y'fe., Gillies L., Gold Crest, Goldhawk, Goldvue, Grull W., Halliwell, Hallnor, Heath, Hosco, Heva Cad., Howey, Inspiration, Jack Lake, Jacknife, Jellicoe, Kenville, Kerr Addison, Kirk. H. Bay, Kootenay Belle, Labrador, Laguerre, L. Rowan, La Luz, Lapa Cad., Lexindin, Lynx Y'fe., Maralgo, Marcus Gold, McIntyre P., McKenzie R. L., McWatters, Mining Corp., Mosher L.L., Necki Cons., Newnorth, New Bidl'e., Nipissing, Norbenite, O'Leary, Ogama, Parbec, Pice'y. Porc., Pitt Gold, Porc. Pen., Powell Rou., Premier Gold, Proprietary, Purdy Mica, Red Hawk, San Antonio, Sigma, Silver Ridge, Stadacona New, Starratt Olsen, Steeloy, Sturgeon R., Taku, Thompson, Toburn Gold, Tombill, Ventures, Vicour, Waite Am., Wasa Lake, Wekusko, Wiltsey C., Ymir Girl

OILS

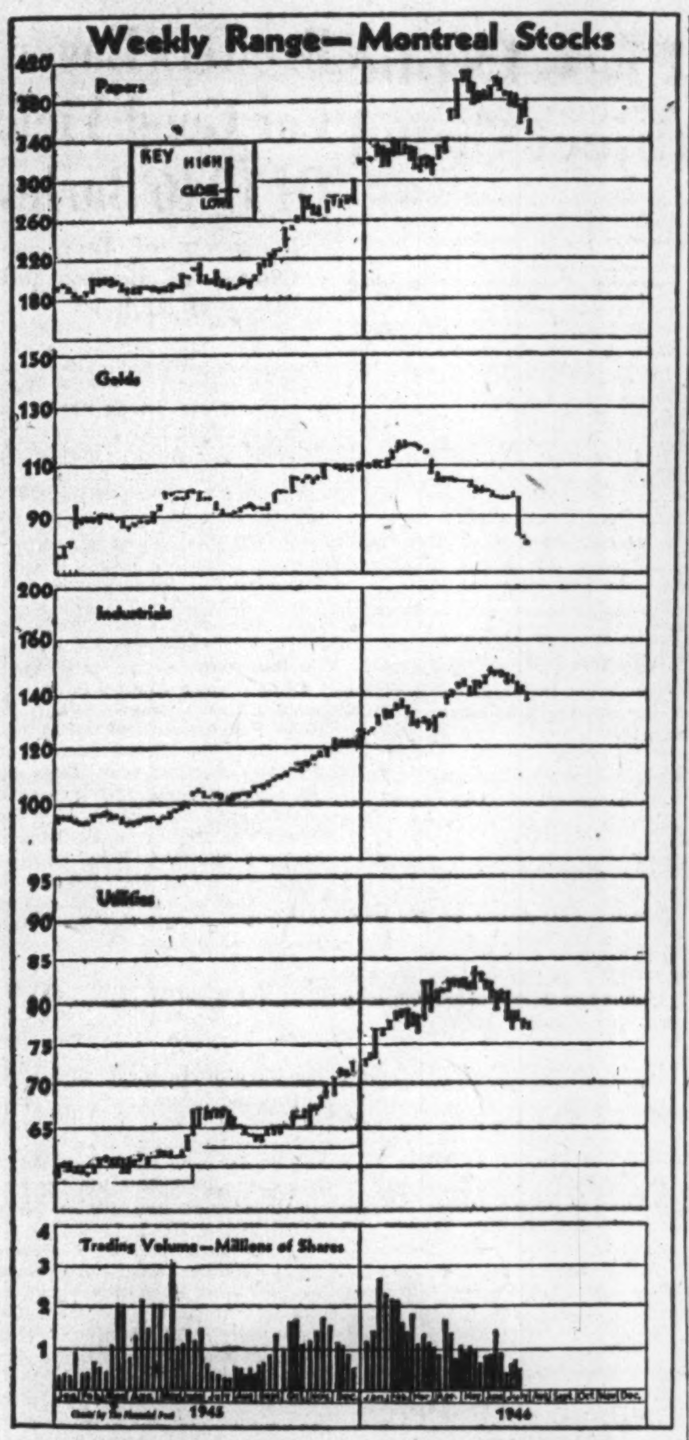
New Lows—1946

Apex, Calgary & Ed., Home, Mid Cont.

Option Exercised For City Food Terminal

MONTREAL (Staff)—Montreal's proposed new $2.8 million food distribution terminal (Financial Post, May 18) advanced one step closer to realization last week when the city executive committee decided to exercise at a cost of approximately $90,000, the option it held on 60 acres of land in the north end of the city.

Next step, city executive chairman J. O. Asselin, states, is that various plans for financing the new food distribution terminal will be studied. As yet, no plans for the actual building have been made though it is expected that progress in this direction will be more rapid, now that the location has been settled.



COMPANY REPORTS

COMBINED ENTERPRISES LTD. first annual report covering the period from July 7, 1945, to Dec. 31, 1945, shows a retained net profit of $39,380 which excludes $7,456 refundable EPT. For the 5½-month period net profit was equal to $6.85 excluding or $8.14 including refundable EPT on the preferred stock and 26 cents or 33 cents respectively on the common (after deducting the preferred dividend payment).

Capital surplus increased $108,130 after providing for loss on disposals and writing down to a conservative value the outside real estate holdings of the two companies (Stuart Bros. & Snap Co.), as a result of a property appraised at Dec. 31, 1945.

Sales of each company have been well maintained. Expansion of volume of Stuart Bros. is hampered by government controls particularly the control on sugar. For Snap Co., active sales promotional and distribution policies, with contemplated additions to lines, should substantially increase sales volume, it is stated. Export business is receiving attention and is expected to result in substantial business.

Improvements in plant and facilities are expected to improve working conditions, increase production efficiency and reduce production costs, W. H. Wallace, chairman of board, states.

CONDENSED CONS. BALANCE SHEET

As at:	Dec. 31 1945	July 16 ▪1945
Cash	$26,111	$29,847
Mkt. secs.†	234,028	236,984
Accts. rec.	60,372	62,430
Inventories	224,106	186,200
Total curr. assets ..	544,617	515,461
Misc. assets▴	118,435	126,459
Trademarks, etc.	30,312	30,312
Fixed assets*	‡253,854	152,131
Total assets	947,218	824,363
Total curr. liabs. ...	153,380	166,576
Capital stock	625,000	625,000
Capital surplus	135,668	32,787
Earned surplus▴	33,170	......
†Incl. Dom. bds.	220,283	165,000
▴Incl. ref. EPT	79,255	66,493
*After deprec. of ..	47,697	121,734
‡As appraised Dec. 31, 1945.		
Working capital	391,237	348,885

▪Pro forma, after giving effect to consolidation of subsids. and capital stock change.

YORKSHIRE INSURANCE CO. of York, England, reports assets of $119.7 millions at the end of 1945, a rise of about $3 millions, (calculations at £1 equal to $5). General reserve fund is $7.5 millions, sinking fund and capital redemption fund $4.2 millions and Marine fund $7 millions. Premium income in all departments was higher. Fire premiums in 1945 totalled $6.3 millions up $423,835. After providing increased reserves for unexpired risks, claims and expenses $492,295 was transferred from this account to profit and loss. Accident and general premiums at over $9 millions were up $1.6 millions. After all deductions $560,705 was transferred to profit and loss. Premiums written in Canada in all branches (except life and marine not written here), totalled $828,098 with losses 51.30% of premiums. Manager for Canada is F. E. Dufty.

NIAGARA WIRE WEAVING CO. earnings increased 43 cents a share to $1.80 in 1945, based on an additional 2,000 shares issued during the year. President E. J. Buell reported a marked increase in the production of paper, made possible by improvements in the supply of pulpwood. The demand for all pulp and paper products still exceeds the supply.

Working capital increased $52,648 to $997,314, as at March 31.

INCOME ACCOUNT

Years Ended Mar. 31:	1946	1945
Net profit	$210,297	$158,048
Less: Com. divds.	115,000	115,000
Surplus for year	95,297	43,048
Earnings per Share and Dividend Record:		
Common: Earned .	$1.80	$1.37
Paid	1.00	1.00

CONDENSED BALANCE SHEET

As at Mar. 31:	1946	1945
Cash	$158,202	$376,795
Marketable secs.	804,158	324,887
Accts. rec., etc.	81,129	235,945
Inventories	266,901	247,266
Total curr. assets ..	1,310,390	1,184,893
Misc. assets	348,049	223,192
Fixed assets†	151,627	170,633
Total assets	1,810,066	1,578,718
Total curr. liab. ...	313,076	240,227
Capital stock	399,249	349,249
Capital surplus*	425,050	425,050
Earned surplus	672,690	564,192
†After depr. res. of	606,626	583,342
Working capital	997,314	944,666

*Incl. res. for investments of $114,735 provided in 1938 and not now required.

BROWN CO. and its Canadian subsidiary, Brown Corp., report consolidated net profit of $879,868 for the 28-week period ended June 15, 1946. ($821,263 in the comparable 1945 period). On an annual basis the earnings to date this year are the equivalent of $0.38 per share common ($0.17 in 1945), but the extent to which company earning power over the balance of the year will be reduced by termination of government subsidies is not yet apparent.

For the 28-week period, net profit before taxes was $1.4 millions in 1946 and $2.0 millions in 1945 and income taxes for the 1946 period were $642,000 lower, enabling the company to realize greater net profits in 1946.

Mary Ann Mines Ltd.

Gold, silver and copper values being obtained in present work are decidedly interesting. Latest engineer's report and map now available on request. No obligation.

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Morrison Out on Limb on Press Probe Must Get It, or Else Do Abject Crawl

LONDON—Should Britain have sponsored radio programs? Should it adopt the dual system like Canada? Should it be broken up into three state-controlled services competing with each other? These questions were threshed out in Parliament, on the occasion of renewing the BBC charter for another five years.

Herbert Morrison, for the Government, took the view that the nation did not want to have its music by permission of a hair restorer or its Shakespeare by permission of a rheumatism cure. On the other hand, he could not see the advantage of the BBC's competing with itself.

Many tributes were paid to the BBC for its reputation for accuracy in the dissemination of news, but its program came in for some rough handling. Mr. Leslie Hale, the Socialist M.P. for Oldham, said: "I regard the knob with which you can turn the broadcast off, as the most valuable portion of the wireless set."

• • •

Mr. Gordon-Walker, another Socialist, denounced the BBC as unpatriotic. Full of righteous anger, and to the accompaniment of shouts from the Tories to sing it, he recited the chorus of an obnoxious song which he had heard on the air:

I want to be a refugee from Britain
The lovely place where I'm no longer free,
For if they can carry on without Winston Churchill,
They will blooming well have to manage without me.

A Tory M.P. asked him if he did not think we should suppress Gilbert's song, "A policeman's lot is not a happy one," as it might discourage recruiting to the force. Another Tory asked if the song, "Don't go down the mine, Daddy," was responsible for our poor coal output.

In the end, the Government insisted that the BBC should stay as it is for another five years and that everything possible should be done to prevent sponsored programs in English reaching the British ear and travelling downward to the British pocket.

• • •

Mr. Morrison Sticks Neck Out

Morrison went out of his way, during the debate, to say there was much more reason for an enquiry into the press.

This caused a great row. As I stated last week, 90 Government supporters have demanded such an enquiry and gossip has it that Morrison put them up to it. The newspapers are bristling with indignation and the whole situation is reaching a point where Morrison will either have to have his way, or make a humiliating climb down. He has the support of some of his ministerial colleagues, but I understand that Attlee and Bevin are against him.

Newspaper shares moved up on the news of the passage of the $3.75 billion loan by the U. S. Congress, but there was no general boom. Daily Express shares have advanced since the budget from 39 shillings to 62. Others have not made so spectacular a rise, but obviously newspaper shareholders are not perturbed by the proposed enquiry.

Chancellor Hugh Dalton announced to the House on Monday that the loan had gone through, but as the Sunday newspapers had published the news, no one fainted with excitement. Oliver Stanley, from the Opposition front bench, caused something of a minor political situation by saying that without the loan we might have had economic chaos and that, therefore, he welcomed it. As more than 70 Tories rebelled against Churchill and voted against the loan six months ago, this seriously jeopardizes Stanley's chances for the leadership of the party.

• • •

Bevin Grows Weary Battering Brick Wall

Ernest Bevin is back from Paris, determined to go ahead with organizing the French-British and American zones in Germany into a political and economic unit. The Russians, who are said to have 600,000 troops in their zone will not cooperate. Bevin is looking very tired, and no wonder. It is a fatiguing process pushing against a brick wall.

• • •

Motorists are to be given a 50% increase in petrol, which will enable them to drive 280 miles in a month. Taxicabs, motorcycles and hire-cars are to get more. In the meantime, the bulk of British cars are going abroad and the winding roads of England are still comparatively safe for cyclists and pedestrians. No one apparently has any plan for London traffic, when all restrictions are off. Even now it is something of a jam.

• • •

If I get time, I shall look in at Ontario House to see the Empire Press delegates, who have come back from the Continent. The Recorder this week gives front-page prominence to Floyd Chalmers' diary in The Financial Post.

• • •

Many Bakers Defiant On Bread Rationing.

Tomorrow the final battle of the bread ration will be fought at Westminster. Many bakers are defiant and say they will not work it and the Government is threatening them with police action. The Opposition has sent out a three-line whip and there will be a terrific row. Churchill is expected to speak, and Food Minister John Strachey will be hard pressed. Fortunately for the Government, Strachey is a brilliant parliamentarian and can swap punches with anyone. As there is something of a heat wave on, tempers will probably be short.

• • •

It was announced today that Mackenzie King is coming back to London. We shall begin to feel soon that this is his home and that Canada is the country he visits. It is not true, however, that he will be the guest of his old friend Viscount Bennett during his sojourn in England.

Arthur Balfour said: "I never forgive, but I always forget." There is nothing wrong with Lord Bennett's memory.

Can. Airlines Traffic Higher Than Last Year

OTTAWA (Special) — May and June operating statistics for Canadian airlines, not yet compiled by the Air Transport Board, are expected to give the first real clue to the peacetime trend of air traffic in Canada. They will probably strike a level of revenue substantially below that of a year ago but somewhat higher than that of April of this year.

April figures show a substantial drop from March in revenues, passengers carried and freight and mail carried. This is attributable mainly to the spring break-up which affects nonschedule or charter operations, for the most part carried on in the north. Some idea of the extent to which this can affect the over-all picture of air traffic is shown by the fact that while scheduled airlines flew approximately the same mileage in April as in March, total revenue miles dropped from 13.0 millions to 11.5 millions.

Above Last Half of '45

Comparable figures for 1945 are not available. However, total operating revenues for schedule and nonschedule traffic of $1.57 millions for April, 1946, while they show a drop of $116,000 from March, are still above the six month average from July to December 1945 of $1.45 millions. They are also well above revenue figures for January and February of $1.37 millions and $1.36 millions respectively.

March is always a peak month for charter carriers, with bush operators unable to fill the demand for flights to transport supplies to isolated areas before the spring thaw. In April, carriers change over from skis to wheels.

January and February are bad flying months in Canada, so that the fact that Canadian airlines in April carried 44,500 passengers as against 35,054 in January, 35,037 in February and approximately 45,000 in March, means little. Again, however, a comparison with six months' operation last year shows the April figure well above the average of approximately 38,000. In freight, the April figure dropped to 550 tons as against approximately 1,000 tons in March, or a last year average of around 750 tons.

Trend to Shorter Flights

These figures, however, while they indicate that Canadian air traffic is holding on a fairly even keel can be misleading. Scheduled airlines, for example, are reporting a trend toward shorter passenger flights such as Ottawa-Montreal-New York and Toronto-New York with a probable drop in transcontinental traffic. This is expected to have an effect on revenues.

The air-mail picture, from the standpoint of revenues, is at present clouded. Both in the United States and Canada, airmail volume is likely to be less this year than in 1945, due largely to the drop in service mail. How far this may affect revenues will depend on the extent to which air-mail contracts are granted on subsidy basis.

Scheduled airlines, which for statistical purposes comprise TCA, CP Airlines, M&C Aviation and Maritime Central are expecting a drop in passenger pay load from the wartime 90% to something like 70 or 75% as peacetime normal. Here again, however, this will be offset to some extent by the use of larger planes. TCA is already using three DC 3's with a 21-passenger capacity, against the 14 and 12 passenger capacity of most of their fleet.

ABINO GOLD MINES in drill hole 11A intersected 3.8 ft. (starting at 624.3 ft.) averaging 3.30 oz. uncut in what appears to be a new zone along a west-striking fault. The same zone may have been cut in an earlier hole 9A and further drilling is being done in the same neighborhood. Commercial values have been secured in each of the three latest holes.

Expect 10% Price Boost on Lumber

MONTREAL (Staff)—There are persistent rumors that Canadian lumber manufacturers will soon announce a 10% price boost on their U. S. sales, to compensate them for recent establishment of Canadian-U. S. dollar parity. Otherwise the industry stands to lose some $7.5 millions, because of dollar parity, it is held.

Lumber ceilings in the United States are higher than in Canada and the Canadian lumber industry has been finding that market attractive. They have been realizing an average "bonus" of some $3.50 per 1,000 board feet on their U. S. sales, it is understood. This bonus has been applying to an estimated 1.5 billion board feet of Canadian lumber exports to the U. S. annually, with a dollar value in excess of $75 millions, it is estimated.

Brewers Eager For Good Yield Of 1946 Barley

Prospects of Increased Quotas of Barley Malt Cheer Ale-Makers

Canadian brewers, and perhaps more particularly the malting companies, are anxiously eyeing weekly crop reports, taking heart with each succeeding favorable one from the country's barley growing districts. With Canada's barley acreage cut this year an estimated 12%, there may yet be a heavier yield this year than last. To the brewing industry, a bountiful 1946 crop of barley holds prospects for a more liberal quota of 1947 barley malt. The malters have been "sitting pretty tight" on the stuff so far this year.

Despite their caution in this respect, malting companies have increased the amount of barley malt sold Canadian brewers by more than 5% over last year. Their output has been materially boosted by additions to two plants in Winnipeg (Dominion) and Montreal (Canada Malting). With adequate supplies of barley from this season's crop, they may be able to meet brewers' needs for their product by the year's end.

Enough barley malt has been available this year to enable brewers to supply this summer's record demand. The past four weeks have been good drinking weather, but the wave of American tourists has been a big factor in setting the record.

To thirsty visitors from south of the border who have been getting along on about half the beer and ale they want, the flow in Canada looks like a flood. Last March 1, in accordance with U. S. Government policy, American brewers stopped using what little wheat they normally put into their product (in 1945, only 8/10,000 of the entire U. S. wheat crop). At the same time, the supply of other grains they used was cut to 70% of the amount used in 1945. In consequence, to some American beer drinkers, Sahara-like conditions are being approached in their country.

At least one large Canadian brewing concern hopes that by next January, or February at the latest, the industry's output will be sufficient to warrant lifting of rationing everywhere in Canada. But the industry cannot hope to do much about attaining the necessary production mark for that while struggling to quench this summer's thirst.

All brewers are continuing to press hard for the return of empties. Glass companies, operating at capacity to give at least a little satisfaction to all their customers, are not yet able to produce infinite quantities of beer bottles. Nor are cases available in limitless quantities yet and brewers are using them over again up to five times.

One brewer told The Financial Post he doubted beer quotas for Ontario beverage rooms would be increased until "a more equitable relation between supply and demand" can be brought about.

About half the beer and ale which Ontario drinks reaches the consumer through the beverage rooms, the rest through brewers' retail outlets.

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Always make the A.B.C. report your first step in buying advertising space. Ask for the A.B.C. report before you spend a penny. It is the only way to make sure you are buying wisely.

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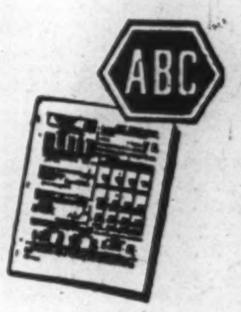


THE FINANCIAL POST

This paper has long been an A.B.C. member because we believe in selling known value. Canadian publishers helped establish the A.B.C. in 1914.

A.B.C. = Audit Bureau of Circulations = FACTS as a yardstick of advertising value

MARLON ROUYN GOLD MINES reports installation of plant and equipment is proceeding and should be completed within the next 10 days. Shaft-sinking will then be resumed. Electric power has been turned on and the compressor given trial runs.

Bank Note Co. Orders New Windowless Plant

Contract for construction in Ottawa of an $800,000 plant of the "controlled conditions" type—few or no windows—is awarded to The Austin Co., Toronto, by British American Bank Note Co. Elaborate air conditioning and lighting equipment will be features. The Bank Note firm will move from its present plant at Kent and Wellington Streets, sold early this year.

MEET AND MIX FROM COAST TO COAST IN CANADA

Quebec's Gaspé Peninsula

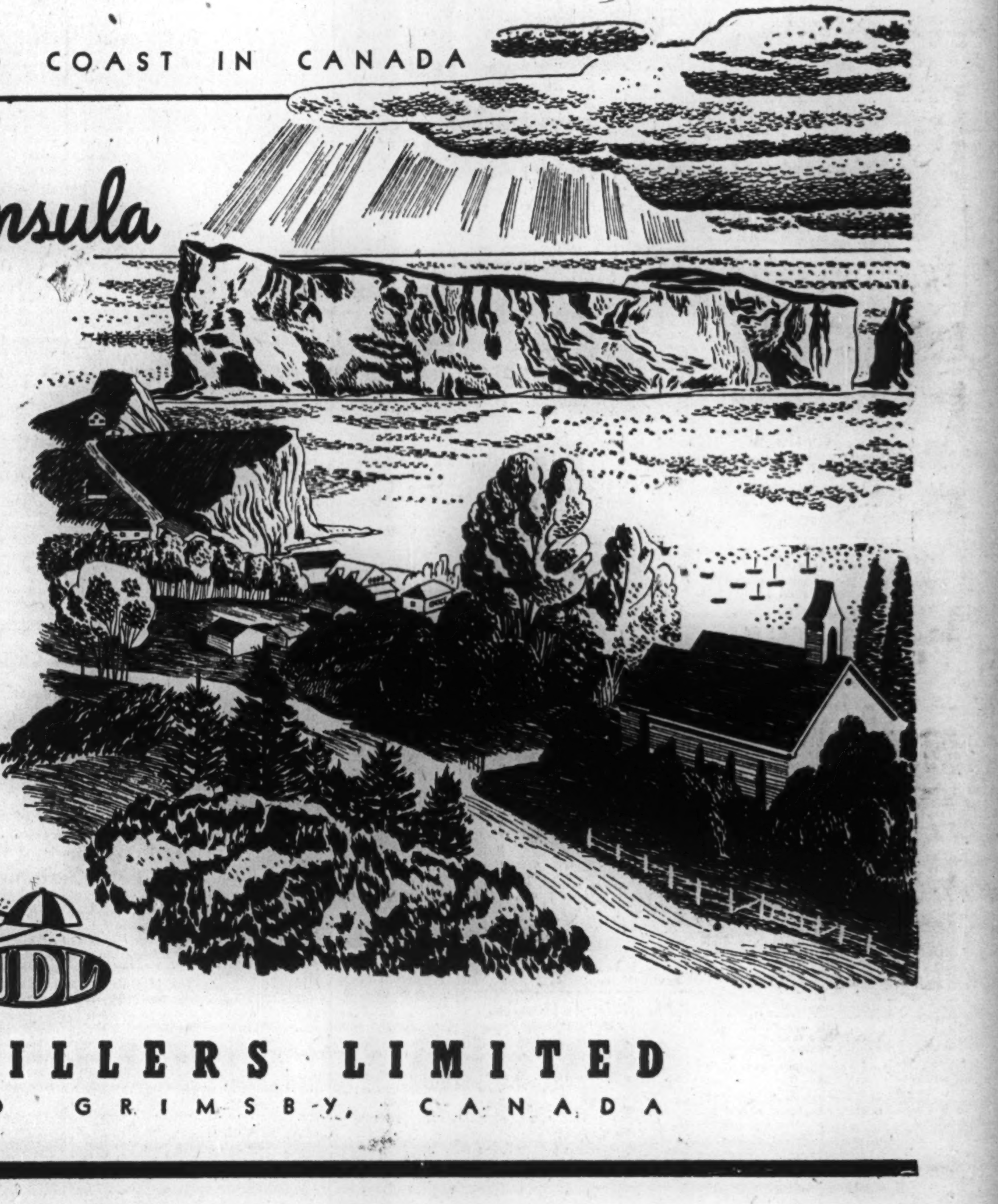
AGELESS, poetic Quebec is a magnet for tourists who seek old-world atmosphere in settings of picturesque beauty.

Nowhere are these attractions more easily discovered than at Perce Rock in the rugged, colorful Gaspe Peninsula country.

The Province of Quebec offers thrilling contrasts . . . rural regions of white-washed houses, quaint spinning wheels and wayside shrines, to cosmopolitan Montreal's canyons of concrete and steel . . . the narrow streets of ancient Quebec city.

This year is a testing time for Canada's tourist traffic, a great profitable industry growing greater every year. Millions of American visitors are expected to cross the border and thousands of Canadians will travel from coast to coast.

Make them all welcome. Courtesy and hospitality to our tourists will repay us all—many times over.



This message is the sixth of a series supporting the efforts of our Government's Travel Bureau and Provincial Tourist Associations. Offered in the public service by . . .

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MINING INVESTMENTS

Break in Mines Extended By Margin Liquidation

With current decline in gold shares carrying the Toronto Stock Exchange index of golds down below 100 level, as against a 1946 high of 147.31, one of the most drastic "shake-outs" in recent Canadian gold mining history has taken place.

So precipitate has been the decline that Toronto brokerage houses report margin calls have had to be sent out on two or more successive days on the same accounts. Apparently a large part of current liquidation represents forced selling, many individuals apparently preferring to ride along with present commitments unless forced to sell through an under-margined market position.

Volume of margin selling was not excessive but with few buyers around, even the moderate amount of liquidation taking place was quite enough to extend market losses.

For a time, hope was being expressed that the gold stocks might enjoy a moderate rally in view of the extended decline which had taken place. But this hope proved illusory when the New York market broke.

• • •

Says to Put Off Relief

In recent weeks it has been popular in mining circles to express views on what the Government should do for mining. One Canadian mining man expresses a view rather different than most, however. He does not want any immediate government aid. He wants aid but he doesn't want it for about another year.

His thesis is that if the Government should do something for mining, any benefits which might accrue would probably be lost through new demands of labor or increased costs of supplies. He feels that in another year or so, labor conditions may be more settled and that the industry might gain more if any government program for mining should be deferred to that time.

While the present decline in the stock market has unquestionably disrupted the financing of a large number of projects, it is pointed out that most of the better ventures have sufficient funds available to continue their programs for about a year's time, if there was any expectation of assistance then.

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Copper Shortage Looms

A world shortage of copper is looming as a result of the shutdown of the big Rhodesian African copper mines, which have been turning out about 20,000 tons of the red metal monthly.

In recent months, there has been a definite scramble for copper in world markets and, with the latest development, some sales of foreign copper have been reported in New York at 16c. a pound, compared with a price quoted a few weeks ago for Chilean copper at 14⅜c. at Chilean ports or about 15c. in New York.

The United States Government has a stockpile of 300,000 tons of copper but the U. S. Civil Production Administration reports that this entire reserve may be released during the next 90 days for use in the Veterans' Housing Program.

There has been no action as yet by the Dominion Government to increase the domestic price for copper and the desire of the copper-producing companies for higher prices appears to have been resisted strongly. Canadian copper producers would not mind selling copper at present domestic prices so much save for the fact that domestic consumption has increased enormously with less copper than ever for them to sell at the much higher world prices.

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"Steels" and Mining

The strike in the iron and steel industry, if prolonged, could cause some curtailment of production of Canadian base metal and gold mines.

Most of the mining companies have fairly adequate inventories, however, and should be able to get by all right, particularly if it is possible to secure further supplies from outside the country.

Steel is "consumed" by the mines in drill bits, grinding balls, etc. Mine managements in the past have shown distinct ability to improvise and no doubt older drill steel could be used for a time, if the steel supply situation should deteriorate.

• • •

Sherritt Moves Ahead

So encouraging have been the results secured by Sherritt Gordon Mines in diamond drilling its nickel-copper property at Lynn Lake in Manitoba, that underground work will likely commence this winter, The Financial Post is informed.

It is too early as yet to talk in terms of tonnage indicated and average grade of ore because drilling is still extending the lenses of ore located and there are many good chances of finding still further deposits.

The return of the Canadian dollar to par, of course, affected somewhat the prices the company can hope to receive by turning out nickel and copper, but it is quite possible that the property might be brought into production in an era of high copper prices. Major new financing will be necessary before the company can be placed in production.

• • •

To Safeguard Mines

Following the recommendations of the technical committee investigating the Paymaster mine accident of Feb. 2, 1945, Hon. Leslie M. Frost, Ontario Minister of Mines, has announced appointment of C. M. Barrett, B.A.Sc., of Leaside, Ont., as inspector of mines. Duties of the new appointee will consist mainly in the inspection of mine hoisting installations and the investigation of methods for developing improved equipment and practise.

"Mr. Barrett possesses the technical qualifications and experience and these indicate that he is well suited to perform the special duties involved," said Mr. Frost.

The new inspector was born at Newton, Ont., in 1910, attended Listowel High School and graduated from Toronto University, faculty of applied science and engineering. He will make his headquarters at Queen's Park and will cover the entire province.

How Many Privileges Should Reds Have?

Continued from page 13)

the Canadian Communists are not a political party in the ordinary sense at all but part of an international conspiracy to overthrow all Canadian liberties and institutions, and to enslave our country to a world Soviet union under Stalin.

• • •

CAPT. THE REV. ABBE ARTHUR MAHEUX, Quebec City.

Privileges and guarantees are made for citizens of Canada who accept all the obligations imposed upon them by the constitution and the law of the country and who really work for their country. Any foreigner or any Canadian citizen doing something against our country is failing his duty as a citizen and should be denied the privileges and guarantees which are given the citizen as a compensation for the fulfilment of his obligations.

• • •

JOHN MARSHALL, Newspaper Commentator, Press Gallery.

It was a bad mistake when the Communist party was outlawed, and it would be made much worse if Communists were deprived of political or other rights as citizens. This would make a group already adept at underground practices, even more adept. The best protection against them is to keep them out in the open as much as possible, the more easily to watch them. They would love to be martyrs and would thrive on it. If Canada cannot handle the internal Communist threat without using methods of dictators, the country is in a bad way. In any case, such a cure is worse than the disease.

• • •

GLADSTONE MURRAY, Policy Counsel, Toronto; former general manager Canadian Broadcasting Corp.

Communists prefer working underground. They fatten on being banned. They are vulnerable to ridicule, not to suppression. Except in war emergency, we should not imitate totalitarian methods of suppression. Nevertheless, maintenance of the same privileges and guarantees which other citizens enjoy, should be balanced by same liability to prosecution for specific breaches of law. When ventilated and exposed in an enlightened democracy, Communism cannot compete. If suppressed and outlawed it will inevitably survive and prosper, boring from within, sublimated by martyrdom, admired by fellow-travellers.

A E. LE PAGE, Toronto realtor.

Absolutely no. If Communists do not not like our way of living, let them go back from whence they came.

• • •

HON. ARTHUR W. ROEBUCK, member of the Canadian Senate and former Attorney-General of Ontario.

The question is no doubt prompted by the fact that some Communists have been guilty of disloyalty and that the Communist Party has been found good fishing waters for anti-Canadian suckers. My unhesitating answer is that those who have been convicted of such offenses should not continue to enjoy their former privileges; they should be in jail. You ask whether those who have not been convicted of any such offense should be punished along with the guilty. You want to know whether those who agree with us should be allowed free speech, full assembly, and the vote while those who disagree with us should be decitizenized. Are you asking whether we should now abandon the Canadian democratic way of life, in which all men are entitled to their opinions, to criticize and advocate and to join in persuasion with others of like mind, and, having abandoned democracy, whether we should embrace the doctrines of Hitler and Mussolini, and their practice of suppressing all parties other than their own? To ask these questions is to answer them.

If you decitizenize those who advocate state ownership, with whom will you commence and with whom complete? Whom would you have throw the first stone? If you ban discussion by the advocates of irresponsible government, will you suppress as well those who advocate responsible government? It was not long since the latter were charged with sedition.

There is no half way course between freedom and slavery. Suppression limits all, irrespective of to whom it is immediately applied. Why should you deny to us all the right to refute Communist arguments? And after the Communists who comes next?

PARAMAQUE MINES has received payment for July 6 underwriting installment, comprising 50,000 shares at 12½ cents a share, from Federal Trading & Agency Co. Ltd. Issued capital is 2,760,705 shares.

Leitch Recovery At Record High

Establishing new high records for production and tonnage of ore milled recently, Leitch Gold Mines over the past year has shown a marked improvement in production results.

In the three months ended June 30, 1946, output totalled $244,082 from 7,725 tons of ore milled, with an average recovery of $31.59. ($226,031 from 6,671 tons in the previous quarter).

Bullion production of $470,113 from 14,396 tons of ore milled in the six months ended June 30, 1946, were well above the $332,053 recovered from 9,911 tons of ore milled in the last half of 1945, while grade was 84c. a ton lower at $32.66 a ton.

Cut Ore Values At Golden Gate

Latest Hole Returns $58 Over 6 ft. Drifting in Ore on 400 Level

Latest drill intersection from 4th level of Golden Gate Mining Co. has returned six feet of core averaging $58, The Financial Post is informed. The section was encountered south and parallel to 408 drift, at a point some 200 ft. further west and 100 ft. to the south.

Two drift machines and one drilling rig have been employed during the past few months in crosscutting and drilling on the 300- and 400-ft. levels in the area between Crescent shaft, moving west toward the main Golden Gate shaft. To date some 150 ft. of medium grade ore has been developed on the 400-ft. horizon.

Latest word from the property indicates that 408 drift, on 400-ft. level, has encountered 45 ft. of high-grade ore. The last 102 cars of muck from this section are reported to have averaged $42.

Officials report sufficient funds on hand to finance the 28-man crew for current development which includes the use of the three machines on a thorough test of the two lowest levels of the mine. Approximately 150,000 shares remain in the treasury and the 150-ton daily capacity mill is intact.

B. C. Planning Survey Of Peace River Coal

Gordon L. Kidd, Drumheller, Alta., has been appointed to survey coal resources of the Peace River district, under direction of Dr. T. B. Williams, commissioner of petroleum and natural gas. Premier John Hart, of British Columbia, has pointed out that diamond drilling to determine extent of coal reserves would be pushed forward on a 24-hour basis during summer and fall months.

The necessary data relative to coal and oil resources in the district is to be secured before the Government may arrive at a decision with respect to the proposed extension of the PGE Railway.

Ding-How Takes Over Three Mining Groups

Ding-How Gold Mines has been formed to consolidate a block of 39 claims formerly held by Orenada Mining Co., Whittier Gold Mines and the C. W. group in the Three Elbow Lake area, Man. Previous operators are reported to have spent some $200,000 on prospecting, trenching and diamond drilling.

The Ding-How claims are strategically located in relation to Century Mining property where a crew has been assembled to deepen the 250-ft. shaft to 500 ft. and to resume milling operations.

VIVE YELLOWKNIFE has completed some 4,000 ft. of diamond drilling and surface prospecting and the report on results is being prepared by Irving Wilson and H. H. Singer, the company's engineers.

MID-CONTINENT OIL & GAS has received payment for an underwriting on 50,000 shares at 9c. a share, payable July 1, from T. L. Brook & Co. Issued capital is 3,750,005 shares.

Suspend More Brokers As Hearings Near End

Seven licenses held by brokers, brokers' salesmen, and security issuers were suspended this week by the Ontario Securities Commission as it neared completion of investigation into operations of Ontario investment and brokerage concerns.

Of the 19 brokerages under review, two firms, Caldough Securities and McGuire & Co., have had their registrations cancelled. Two other firms, Bowman Stuart & Co. and Clifford Reilly & Co. are no longer registered. R. Bowman Stuart decided to surrender his registration during course of a review and Clifford Reilly abandoned his application for registration in the current year.

Twelve brokerage registrations have been continued and three are still under consideration.

Hearings have been conducted with respect to 14 salesmen and registrations of C. G. Cook (Clifford Reilly & Co.) and Jos. A. Morgan (C. R. Jenner & Co.) have been refused. The case of one salesman is still under consideration and balance of registrations has been continued.

Of three security issuers reviewed, two have been permitted registration but Easaproducts Co. Ltd., Toronto, has been refused registration until John L. Bolton has ceased to hold any position which would permit him to sell the company's shares

Following are texts of written judgments of the Ontario Securities Commission, giving reasons for its decisions on current cases.

Caldough Securities

M. W. Caldough

This is a review by the full Commission of a refusal by the Commission to register the above-named firm as a broker for the current fiscal year.

The evidence establishes quite clearly that the business has been operated in what is known in street parlance as a "boiler shop."

The use of the so-called "sucker list," high pressure telegraphing, extravagant circularizing and long-distance telephone have been carried to an extent calling forth public protest from many quarters. The methods employed almost put the business in the category of a public nuisance. In 19 months money spent on long-distance telephone calls alone was $32,778 and the amount paid on high-pressure telegrams was $10,674.

In some of the reviews we have undertaken we have found evidence of constructive and painstaking care being exercised in the selection of issues to be offered to the public, even where selling methods have been open to objection. There is little or no evidence of any such redeeming feature in this case.

We are all of the opinion that the public is entitled to more decent consideration than has been given by this house. Accordingly, we deem it in the public interest that this registration be refused.

McGuire & Company

J. B. McGuire

This is a review by the full Commission at the request of the above-named brokerage house of the decision of the Commission refusing registration as a broker for the fiscal year commencing April 1, 1946.

We have on different occasions, put great emphasis on the proposition that a broker owes a high degree of responsibility to the customers to whom he sells. We are very aware that mining issues are highly speculative. Nevertheless we believe that a broker should take every precaution to secure expert advice so as to satisfy himself that the property is one which he can conscientiously offer to the public after careful investigation.

In this case the evidence is convincing that McGuire paid little or no heed to this fundamental proposition. As far as can be judged, the one and only motive this broker had was to make money for himself, regardless of what happened to his customers. He seems to us to be most irresponsible in this regard. We are also of the opinion that there is little chance of him changing his ways.

Accompanying his irresponsibility in taking on deals is the same irresponsibility in his circularizing for sales. He has not been concerned about representing the chances for "increased earnings" of the company whose shares he was offering when it was nothing but a raw prospect with no earnings whatever. He has not been at all bashful about referring to highly speculative mining issues as an "investment proposition" with "no peers and few equals" and as constituting part of a "sound investment portfolio."

Evidently his idea of what a mining broker is entitled to from the proceeds obtained from the public is far from modest. In the case of one syndicate he was participating in an option on all the units at 75c. and selling them to the public at $5. This looks to us like mining the public and undermining the mining industry.

In this case we feel that the decision of the Commission was right. We do not think it in the public interest that Mr. McGuire should be allowed to retain his registration.

Easaproducts Co.

John L. Bolton

This is a review of the decision of the Commission refusing the registration of the above-named company as a security issuer.

Registration of a company as a security issuer automatically gives the officers the right to sell stock. The Commission's refusal to grant registration in this instance is due to the unsatisfactory record of John L. Bolton, the president and general manager.

Bolton has not been registered either as a broker or a salesman since 1934; but in 1937 six complaints were received respecting sales of Kirkwood Gold Syndicate by him in 1936. The Commission investigated and found that at least 30 persons had purchased Kirkwood units through Bolton and had been unable to obtain delivery of the units. The real issue confronting the Commission was whether its licensee the Kirkwood Syndicate was guilty of any irregularities. But Bolton's reputation was at stake whether he or the syndicate were to be held responsible for the fraud. It is significant that under these circumstances it was necessary to serve him with a subpoena in order to secure his attendance.

As a result of the investigations the solicitor for the Commission made a memorandum dated Feb. 16, 1939 that Bolton admitted "he appropriated the money to his own use." He would now have us believe that this record is false—that the Commission deliberately exonerated the guilty party—namely the syndicate—and allowed it to enjoy continued registration. He would also have us believe that those persons who admittedly made their cheques payable to him were incapable, even with the aid of their cancelled cheques, of determining who should be held accountable.

There can be no reasonable doubt that Bolton is responsible for a series of frauds. His present attitude precludes any consideration of mitigating circumstances. Bolton's subsequent dealings fully demonstrate that he is entirely irresponsible. The Easaproducts Co. was first incorporated as a private company. Nevertheless he sold shares to the public. We do not consider it necessary to review these further complaints in view of the fact that Mr. Bolton has been afforded an opportunity to show cause why he should be permitted to sell securities and has simply taken the blanket position that all complaints were improperly made and that the records made as a result of investigations are false.

Easaproducts Co. will be refused registration as a security issuer so long as Mr. Bolton holds a position with the company authorizing him to sell the company's shares on registration being granted.

Osulake Finishes First Deep Hole

A first deep hole, No. 120, has been completed below hole No. 114 at Osulake Gold Mines with a showing of visible gold coming in at a depth of 375 ft., according to a telegram from President Don Hurd to Toronto financial associates.

The core of No. 120 was stated to look just as good as any hole so far completed, with assays expected shortly. A further hole is to be put down 150 ft. west of No. 120, it is understood.

A new gold discovery is stated to have been made at O'Sullivan Lake on the Camdeck property.

Ontario Security Commission Options

Company:	Underwriter:	Purchased (Underwritten) Shares	At c.	Date	Option No. Shares	Received Price Range c.	Capitalization Author. Shares	O/s Shares	Accepted
Andy Yellowknife M.	Uscan Engineering Corp.	300,000	10	May 20	1,000,000	12½-25	3,500,000	1,200,005	June 27
Argyll G. M.	W. M. McDonald†	......	..	June 20	1,000,000	30-$1.50	3,000,000	1,200,005	June 22
Argyll G. M.	Co. granted security issuer's registration.								
Bayview Red Lake	Sales permitted on basis of 75% of proceeds to treasury.						4,000,000	3,292,173	July 4
Beaunorm M.	M. Roberts†	......	..	June 4	400,000	10	3,000,000	1,150,003	June 29
Bidd Consolidated M.	C. M. Nash	700,000	2½-5	May 30	1,000,000	7½-75	4,000,000	2,033,338	June 27
Big Four Silver M.	W. B. Milner	250,000	10	Apr. 4	1,500,000	15-50	4,000,000	2,825,000	June 24
Bob Tough Syndicate	P. J. H. Van Oudenol†	......	.	June 12	23,332	$1	35,000	11,668	June 24
Brunette Porc. G. M.	R. Hamilton	......	..	June 10	700,000	7½-60	3,000,000	1,300,009	July 4
Budbois G. M.	Chateau Mng. Synd. Ltd.	400,000	6¼	Apr. 16	1,100,000	10-18	3,000,000	1,000,005	June 27
Cardiff Flourite M.	F. R. Marshall	500,000	40	Apr. 29	....	..	2,000,000	947,897	July 12
Chalcor Mining Corp.	Co. granted security issuer's registration.						1,000,000	400,006	June 25
Cheskirk M.	Federal Trad. & Ag. Co.†	......	..	May 29	1,200,000	10-$1	3,000,000	1,850,005	June 25
Courtmont G. M.	Newmont Mining Corp.	200,000	15	May 10	999,965	25-65	3,000,000	1,800,005	July 12
Creole Snow Lake M.	Sales permitted on basis of 75% of proceeds to treasury.						3,000,000	1,757,115	July 12
Dyke Lake M.	Winslow Agency	57,000	7½	May 20	1,683,000	7½-$1	3,000,000	1,010,005	June 25
Errowana G. M.	M. P. Miller, Dr. G. Joynt & E. J. Lee†	......	..	May 1-Apr. 23	86,666	5	3,000,000	1,376,651	June 25
Fairley Red Lake G. M.	J. W. Langs†	......	..	Mar. 4	1,000,000	15-27½	3,500,000	1,166,673	July 12
Gallagher R. Lake G. M.	Co. granted security issuer's registration.						3,000,000	1,000,005	June 29
Globe Oil Co.	Sales permitted on basis of 75% of proceeds to treasury.						4,000,000	1,600,000	July 8
Goldbanks M.	Thames Valley Securities†	......	..	Mar. 5	600,000	5-20	3,000,000	1,931,490	July 11
Harlight G. M.	Sales permitted on basis of 75% of proceeds to treasury.						5,000,000	2,151,000	June 25
Indyke G. M.	Winslow Agency†	......	..	May 20	1,350,000	10-$1	3,000,000	1,400,005	June 20
Katie Red Lake M.	Co. granted security issuer's registration.						3,000,000	950,005	June 14
Laurence-Lee G. M.	Wm. Forster†	......	..	June 4	500,000	50-75	5,000,000	1,500,005	July 5
Lingnora G. M.	W. G. Waller†	......	..	Apr. 26	500,000	10-25	3,000,000	1,905,005	July 4
Milerlaun Rouyn G. M.	I. J. Miller†	......	..	May 27	1,000,000	12½-25	3,500,000	1,370,006	July 4
Marchaud M.	Coniaurum M. & Conigas M.	266,666	15	May 9	*2,133,329	20-55	3,500,000	1,366,671	June 25
Nareco G. M.	Winslow Agency Ltd.	100,000	10	May 20	900,000	10-25	3,000,000	1,600,005	....
Payne Y'knife G. M.	Mas Holdings Ltd.	200,000	20	June 13	600,000	20-25	3,000,000	1,331,600	July 8
Payne Y'knife G. M.	Co. granted security issuer's registration.								
Rodney G. M.	Verona Rock Products Ltd.	350,000	10-15	June 17	1,999,995	20-62	3,000,000	883,338	July 5
Sadie Red Lake G. M.	Paramount Security Co.†	......	..	June 20	1,000,000	7½-30	3,000,000	950,005	June 25
Sadie Red Lake G. M.	Co. granted security issuer's registration.								
Simla Red Lake M.	H. D. Caldwell	100,000	5	May 8	800,000	10-50	3,000,000	1,050,005	July 4
Trans-Canada M.	E. M. Barrett†	......	..	June 21	1,000,000	10-75	4,000,000	2,600,005	July 8
Tyneside Red Lake M.	F. H Hurley & H. V. Roberts†	......	..	June 15	1,000,000	10-30	3,000,000	1,000,005	June 23

†Optionee.
*Also Hoyle Mining Co.

AMENDMENTS TO PREVIOUS AGREEMENTS

Extended:
Kimasca Porcupine G. M.

Cancelled:
Andowan Mines
Canaska Explorers
James Kirkland M.
Vauze Dufault M.

Amended:
‡Auvillebon G. M.
*Henry Mining Synd.

‡In default.
*Shares not subscribed.

Accepted for Filing:

Amlartic G. M.
Chalcor Mining Corp.
Kiwaga G. M.
Packard Pershing M.
Portland Yellowknife G. M.
Valrita M.
Elderidge Gold Mines
Huhill Yellowknife M.
Midd-Pershing G. M.
Pasco Maritimes Gold
Springpole Mines
Elmac Malartic M.

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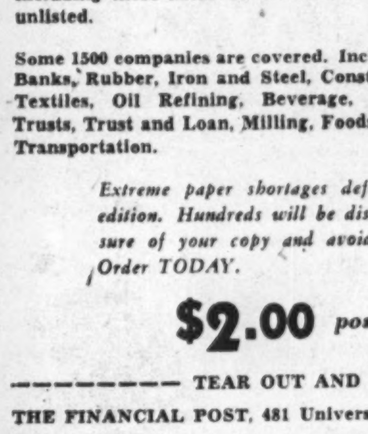

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Mine Dividend Reductions Coming In Wake of Return of Dollar to Par

By GORDON M. GRANT

The effect on the Canadian mining industry of return of the Canadian dollar to parity is portrayed by the number of looming reductions in mining company dividend rates, barring some new development of a favorable character.

Base metal mines such as International Nickel and Noranda and gold producers such as Dome and Hollinger, had been unable to cover dividend payments by earnings even before parity. Dividend cuts are now seen possible.

For golds and some base metals, the "squeeze" on the margin between costs and selling prices has become extreme. Dividend cuts by base metal producers are looming after a period of limited profits during which patriotic action was taken. At special request of the Metals Controller, companies such as Inco and Falconbridge expanded capacity materially, used up resources of high-grade ore, let development go in order to maximize production when their country needed it.

Today these base metals are in most instances experiencing a reduction in earnings to far below the level of pre-war. Revaluation of the Canadian dollar has proved an unexpected blow, only partly offset by increase in base metal prices outside Canada.

Gold mines are in an analogous position. Their earnings in by far the majority of cases are far below the pre-war level with little prospect of previous earning power being restored in the immediate future.

Here are the dividend prospects for 10 of Canada's leading mineral producers:

Consolidated Smelters — Of the base metal operations, Smelters appears best able to maintain its level of dividends. Increased prices of lead and zinc over the past year or so may more than offset effects of parity. On July 15, 1946, a dividend of $1.25 plus 75 cents was paid against 50 cents plus 75 cents six months previously. Working capital was $38.4 millions at end of 1945 against $6.9 millions at end of 1939.

* * *

Dome Mines—Earnings in first quarter were only at rate of 92 cents a share a year. While production increases may offset almost completely return of $35 gold, present dividend rate of $1.20 a share may have to be cut unless company wants to dip into its $11.1 millions working capital surplus. Practice in past has been to distribute profits as earned. In recent years, dividends have never been more than a few cents above earnings. Company has adequate labor force and improvement in operating ratio may prove rapid.

* * *

Hollinger Consolidated—Dividends are not now being paid at a set rate, but a total of 46 cents a share was paid in 1945 which was a shade above year's earnings. If labor conditions do not interfere, a much higher rate of ore treatment should be realized eventually. But in the interim, exchange parity may more than offset effects of treatment of an increased tonnage. Earnings may well be lower. Working capital has improved materially in recent years, after allowing for the company's expenditure on Labrador Mining & Exploration Co. and Hollinger North Shore, both of which may eventually prove to be large, profitable producers of iron.

* * *

Hudson Bay Mining & Smelting—Earnings were $2.14 per share in 1945 including refundable tax or $1.90, excluding refundable portion as against dividend payments at the regular rate of $2 a share. In the first quarter, earnings were 71 cents a share. With higher world metal prices, and some indicated improvement in taxes, the company appears to be in a better position to maintain dividend distribution than a number of other Canadian base metal operations. Working capital was $21.2 millions at the end of 1945. Earnings would have been much better save for the fact that bulk of copper output must be sold in the domestic market at a price below that in world at large.

* * *

International Nickel Co.—In the first quarter of 1946, Inco earned 35 cents a share—equivalent to $1.40 a share per annum against present dividend rate of $1.60 a share. Earnings have been affected by the transition from war to peace. It had been expected that there would be a substantial increase in earnings, with nickel demand showing some improvement. Recently, however, an agreement was reached which calls for Inco workers to receive an extra 10 cents an hour. Return of parity now affects revenue from nickel and copper. Despite great increases in costs which the company has tried to offset by greater efficiency, there has been no nickel price boost. If company increased the price of nickel sold outside Canada, effect of the latest developments might not prove so significant. Otherwise, recovery of earnings may prove much slower. A lower dividend rate may be in order for the time being. Present dividend rate of $1.60 a share is already a reduction from the pre-war $2 rate.

* * *

Kerr-Addison — Dividends have been paid recently at 5 cents a share every two months, which has been close to the level of earnings. Present earnings — and dividends—give little indication of possible earnings power of this project with its plans to boost mill capacity from 2,100 to 4,000 tons daily. Work at depth has shown much higher grade ore, and there appears to be a strong likelihood that treatment of a better average grade of ore may offset most if not all of the effect of the reduction in price of gold to $35.

* * *

Lamaque Gold Mines—For over a year, Lamaque has been paying dividends totalling 15 cents a share which has been somewhat under earnings. Even with exchange parity, it appears that the company stands a good chance of maintaining this distribution rate. Working capital was approximately $1 a share at the end of 1945.

* * *

McIntyre Porcupine Mines—Earnings in year ended March 31, 1946, were $3.12 a share against usual dividend distributions of $3.33 a share. While company may offset effect of lower gold price by stepping up grade of ore milled, some further reduction in earnings may be experienced. Dividends may be continued at present rate, however, even though not earned, as company enjoys a substantial surplus available for distribution under regulations of the FECB. Working capital amounted to over $30 millions or about $37 a share at March 31, 1946, taking securities at market.

* * *

Noranda Mines—Earnings in the first quarter were 85 cents a share or a rate of $3.40 per annum, as against dividend requirements of $4 a share per annum. World copper prices have been rising but the company has been required to market an increasingly large part of its output at domestic market prices. Parity means a lower income from both gold and copper and without a substantial increase in tonnage production or "other income," earnings will show a further reduction. Prospects appear bright that domestic metals prices will eventually be much higher, but company might decide to reduce dividends in the interim, despite a strong treasury position.

* * *

Sigma Mines—Earnings were 45 cents a share in 1945; dividend distributions 60 cents. But grade of ore milled was lower than mine average and company could conceivably treat a higher grade of ore than in 1945, even allowing for parity. Dividends may be shaded, probably will be, if management doesn't want to dip into working capital, but company is in a strong position to maintain earnings despite relatively low grade of ore handled.

Croinor Shaft Now Completed

New Ore Zone is Lengthened Out to 500 ft.—Finish Road Soon

Sinking of the shaft to its goal of 250 ft. has been completed at Croinor Pershing Mines and lateral work is now in progress on levels established at 125 and 250 ft., The Financial Post is informed. While no report had been received by the Toronto office, it is believed that crosscutting to the ore zone has been completed.

Levels were decided on at 125- and 250-ft. depth because it was at these horizons that the company had ore intersection in its original ore zone. They formed logical horizons for an ore zone attack.

Recent drilling has greatly extended the ore zone indicated at a location 2,400 ft. west of the shaft and consideration is now being given to plans for further exploration of this section.

Two holes, 150 ft. apart, had given values of $14.25 over 20 ft. and $8.03 over 46 ft. at the then $38.50 price for for gold. Since, two further holes have extended this zone to the west with a total indicated ore length of 500 ft. shown by four drill holes, three of which returned individual assays running over an ounce gold per ton. The lowest values were in the most westerly hole of the 500-ft. length.

Further drilling to the west beyond this point has returned good mineralization, but so far the values have been below ore grade. The company has around 2,000 to 3,000 ft. on strike in this direction before the Kenda Pershing boundary is reached. Testing of this section is continuing.

It is possible that the new indicated zone to the west may require a second shaft, but further work will be required to determine this. Holes were widely spaced between the two ore zones and there is a possibility that the ore might tend to trend westerly from No. 1 shaft which would be an advantage. From the experience of other operations it is expected that probably it will be some time in September before the company is able to give a statement as to how things are turning out in underground operations.

The company has been held up a little in its operations by poor transportation facilities, but it is expected that the new road will be completed in about a month's time, it is stated.

OIL PRODUCTION

Muskeg Operation Seen Largest Yet for Alberta

From Our Own Correspondent

CALGARY—"Operation Muskeg," believed to be the largest (in terms of cost) oil exploration project on a single structure in Alberta's history, will enter the drilling stage this fall, it was learned authoritatively last week.

The project, expected to cost substantially over a million dollars before the first drill test is completed, is backed jointly by five major oil concerns — McColl-Frontenac Oil Co., Shell Oil Co. of Canada, Imperial Oil, Socony-Vacuum Exploration Co. and Gulf Research & Development Co. Too big for any one major to want to carry the financial load itself, the operation will test the muskeg anticline in the north central foothills, regarded as one of the most promising prospects in the Alberta foothills belt.

Imperial Oil, on behalf of the syndicate, commenced construction this week of a 70-mile road from the town of Entrance, on the Edmonton-Jasper railway line, north and west to the well site along the Muskeg River. The road work is expected to require about three months. Heavy duty rotary equipment will then be hauled in and drilling commenced. The Madison limestone objective is looked for in the neighborhood of 10,000 ft. The exact well-site, in unsurveyed territory, is not yet known

* * *

Working Three Years

"Operation Muskeg" had its beginning some three years ago, when geological parties of certain of the backing majors located and studied surface indications of structure along the Muskeg River, within the boundries of the 1,244,00-acre Smoky River Provincial Reserve, one of 14 tracts of oil and gas rights withdrawn from development by the Alberta Government in 1941. The area was further studied in 1944-45.

Remoteness of the indicated structure (205 miles west and north of Edmonton, 70 miles northwest of the nearest railway and highway; accessible only by saddle trail in heavily wooded, broken and muskeg-laden country), and the indicated up-to-two-mile depths to limestone, made it certain that testing of the area would be costly.

Five majors therefore joined forces. The Alberta Government made the Smoky River Reserve rights available for sale by public tender Jan. 4, 1946. Through McColl-Frontenac, the five majors took up a reservation on 207,000 acres, for the usual $250 fee, an unstated cash bonus, and a deposit of $70,000. Wasting no time in following up the geological work previously done, the team commenced a 78-mile winter tractor road within two weeks after securing the reservation, rushed in a Heiland Exploration seismograph party about March 1, and completed a seismograph profile across the indicated structure on March 13—the party getting back to civilization just ahead of the spring thaw. Since then, the team has studied the seismograph data, correlated it with the geological information, and decided to proceed with development.

Some idea of the size of the project is indicated by the fact that the team has spent in excess of $100,000 in work since acquiring the reservation, has reportedly set up a one-million dollar fund to provide for the coming road building and drilling of initial well. What was spent by the participants in geological work before taking up the reservation is not known, but was undoubtedly a very substantial amount. The stakes in the gamble are large, but the prospects for success, and the hoped-for fruits of success are bright enough to make the gamble worth taking.

* * *

Gas For Athabaska

The northern Alberta town of Athabaska (population around 1,000) around 80 miles north of Edmonton, will be served with natural gas by Dec. 1, if plans now under way are carried out on schedule. Charles H. Withers, Lloydminster and Walter F. Thorne, Moose Jaw, long-time Independent oil and gas operators, have submitted a proposal for a 20-year franchise to the Athabaska town council, with council approving it in principal on July 8. (The Withers-Thorne group would purchase their gas from the Deca Syndicate, Davies Petroleums and East Crest Oil—which completed two gas wells south of the town in 1943). The Withers-Thorne group are reported proceeding with arrangements for materials necessary for gas distribution lines, etc., and they anticipate that lines to the business district at least will be completed by Dec. 1. Meanwhile, the proposed franchise will be submitted to the town's ratepayers and to the Alberta Board of Public Utilities Commissioners, which has final say on schedule of rates and clauses of agreement.

Deca No. 2 well, was completed in 1943 with gas flow indicated of 15 million cu. ft. daily against 300 lb. flowing pressure. Deca No. 4 completed the same year with gas potential indicated at 4.5 million cu. ft. daily. Analysis of the gas from Deca No. 2, made in 1944 by the late Dr. E. H. Boomer (Dept. of Chemistry, University of Alberta, and former chairman, P. & N. G. Conservation Board), showed: methane, 96.57%; ethane, 1.87%; propane, 0.64%; butanes, 0.20%; pentanes plus ,trace; nitrogen, 0.72%. The gas sample contained 1,000 B.t.u. at basis of 14.4 p.s.i. and 60 deg. F. The two wells are believed adequate to meet the town's needs.

* * *

Celebrates 10th Year

Turner Valley Royalties No. 1, the crude oil discovery well that paved the way for the development of the great Turner Valley "west flank" oil field, celebrated its tenth anniversary during the latest month of production.

The famed well—drilled to the great (for that time) depth of 6,828 ft. down the west flank of the Turner Valley wet gas field came into production on June 16, 1936, with an initial flow of 850 bbls. of 45 API crude oil around 2 million cu. ft. of gas per day. When the well's tenth birthday rolled around, TVR had some 265 companion wells producing crude oil from the Madison limestone of Turner Valley. Still producing around 50 bbls. per day, TVR in 10 years has delivered some 697,501 bbls. of oil with a gross return of $1,085,887.

Kirkland Union "Beats Gun" Votes Before Answer Known

A strike vote was held by Local 240 of the International Union of Mine, Mill and Smelter Workers at Kirkland Lake last week end and the result was an overwhelming demand for a strike at Kirkland Lake Gold Mining Co.—if union demands should not be met.

Following receipt of a Conciliation Board findings on July 15, the company informed union officials that no answer would be given as to action the company would take until after a meeting of the board of directors was held. This meeting was held on July 19 and company officials were scheduled to meet with union representatives this week.

Without any knowledge of what the company might be prepared to do, the strike vote was held with Kirkland Lake despatches reporting a vote of 150 to 11 in favor of a strike should demands not be met.

The contracts between the company and the union has now expired after granting of several extensions. The majority report of the Conciliation Board advised that demands of the union be embodied in a new contract.

Demands of the union include the check-off, overtime for more than eight hours per day or 45 hours per week, shift premiums and granting of six statutory holidays. Workers want double time if they work on Christmas and New Year's and time and a half for Good Friday, Dominion day, Labor day and Thanksgiving. A "premium" of three cents an hour is asked for the afternoon shift and five cents an hour for the graveyard shift.

NEGUS MINES discovery of a new ore-bearing zone in 1945 on the west side of the West Bay Fault has given the company a better outlook than in any previous period of its existence, President and Managing Director Charles McCrea, states. Two holes completed indicated the ore-bearing zone to be much stronger structurally than that on which the present mine workings are established.

Ore reserves at the year end were reported the highest in recent years with some decreases in probable grade of ore to be mined. Diamond drilling of one sheared zone, about 15 ft. wide, on Banks-Estra option, showed sufficiently interesting values to justify further drilling. Surface trenching disclosed erratic values over narrow widths on the Oro group in Indin Lake area. Nothing of interest was reported in routine assessment work on other groups of claims.

INCOME ACCOUNT

Years Ended Dec. 31:	1945	1944
Bullion production ..	a$334,074	$799,927
Less: Oper. exp.	366,304	392,945
Operating profit	*32,230	406,982
Less: Depreciation ...	76,142	82,163
Pre-prod. exps.	23,486	31,315
Royalties	......	6,250
Income tax res.	‡31,261	80,093
Add: Other inc.	9,753	6,562
Net profit	*90,844	213,453
Less: Dividends	49,925	99,850
Surplus for period ...	*140,769	113,603

*Loss or deficit. ‡Credit adjust. on reduced 1944 taxable income by application of 1945 loss.

Earned per Share ...	d$0.05	$0.11
Paid	0.02½	0.05

a5½ mos.

CONDENSED BALANCE SHEET

As at Dec. 31:	1945	1944
Cash & bullion	$63,080	$250,512
Govt. bonds	300,000	275,000
Shares (cost)*	32,419	32,419
Claims pending	86,514	861
Accts. rec.	6,019	7,063
Mat. & supplies	146,642	203,093
Total curr. assets ..	634,674	768,768
Prep. & def. chgs. ...	5,196	3,760
Def. develop.	......	23,486
Misc. assets	33,261	......
Claims & props.	150,000	150,000
Plant & equip.a	115,610	158,654
Total assets	938,741	1,104,668
Accts. & roy. pay.	69,546	78,786
Other curr. liab.	9,870	4,786
Total curr. liab. ...	79,416	83,572
Capital stock	422,000	422,000
Surplus	437,325	599,096
aAfter depr. of	455,082	389,101
*Market value	37,500	29,000
Working capital	555,258	685,196

OPERATING STATISTICS

	1945	1944
Tons milled	10,039	18,869
Average recovery ..	$33.28	$42.39
Ore reserves, tons* ..	36,300	23,800
Grade	$21.49	$25.90

*Excludes 11,000 tons possible ore averaging $20.02 in 1945 and 7,000 tons averaging $2.10 in 1944.

39 Ontario Gold Mines Never Paid a Dollar

That all producing gold mines don't make money was strikingly demonstrated by a submission of Lt.-Col. Alan Cockeram, M. P. for South York, in the House of Commons earlier this month.

Col. Cockeram submitted a list of 39 gold mines which had ceased operations between 1939 and 1944 which had paid no returns to shareholders. Total production of these mines (on which production taxes were paid) amounted to $21,859,000, Mr. Cockeram reported.

The list of these properties and their individual production is as follows:

	Output Value (000 omitted)
Algoma Summit	298
Centennial	18
Cordova	134
De Santis	1,340
Devon	2
Elora	49
Faymar	841
Golden Gate	984
Goldwood	114
Gold Eagle	1,484
Hiawatha	5
Hoyle	1,785
Jubilee	57
J-M Consolidated	966
Jellicoe	214
Jerome	2,190
Kenwest	36
Kenapo	6
Kenricia	94
Lebel Oro	376
Mayboro	2
Mace	686
Morris Kirkland	615
Nakhados	251
New Golden Rose	1,657
Orelia	2
Porcupine Lake	46
Ranson	6
Ronda	99
Raven River	268
Regnery	112
Sandy Beach	1
St. Anthony	1,977
Straw Lake	428
Tionaga	82
Tyranite	1,156
Uchi	4,363
Upper Seine	13
Yama	102
	21,859

Discussing Canada's gold production and the effect of $35 gold on the mining industry, Mr. Cockeram declared:

"In the early days of the war, when gold was so necessary to enable Canada to buy goods and materials in the United States, the gold mines were asked by the then minister of finance to increase their production, with the result that gold production was increased from $166,205,990 in 1938 to $205,789,392 in 1941. This great increase in production was brought about at a general economic loss to the mines, because they mined their richest veins in order to get production.

"Not only did they trespass upon their ore reserves, but they paid taxes on fictitious profits, because at that time they were unable to do the development work which normally a mine must do to keep ahead. The result was that the mines paid taxes on those profits, and did not get any relief from taxation at that time.

"I say to the minister that in spite of this body-blow which has been administered to the industry those engaged in the industry, management, men, prospectors and everybody else connected with it are still good Canadians with a determination that industry will survive and that it will continue to play its full part in the Canadian economy.

"I would ask the minister to give consideration as soon as he can to some relief for this industry, not by way of subsidies, but by some real and considered relief which would be helpful to the industry in these difficult times."

Granby Consolidated Mining, Smelting & Power Co. realized a net profit of $27,341 in the second quarter subject to year-end audit and adjustment. During the June quarter 314,575 tons of ore were treated, compared with 283,103 for the first quarter. The company reports that the Dominion Minister of Labor is expected to appoint a commissioner to investigate the matters in dispute with respect to the strike now existing at all gold and base metal mines in British Columbia, with the exception of Consolidated Mining & Smelting Co. The men have now been out since July 3.

HARRICANA GOLD MINES INC. (1939) has received payment for July 3 underwriting installment, comprising 300,000 shares at 20c. a share, from Darien Mining Syndicate Limited. Issued capital is 3,994,724 shares.

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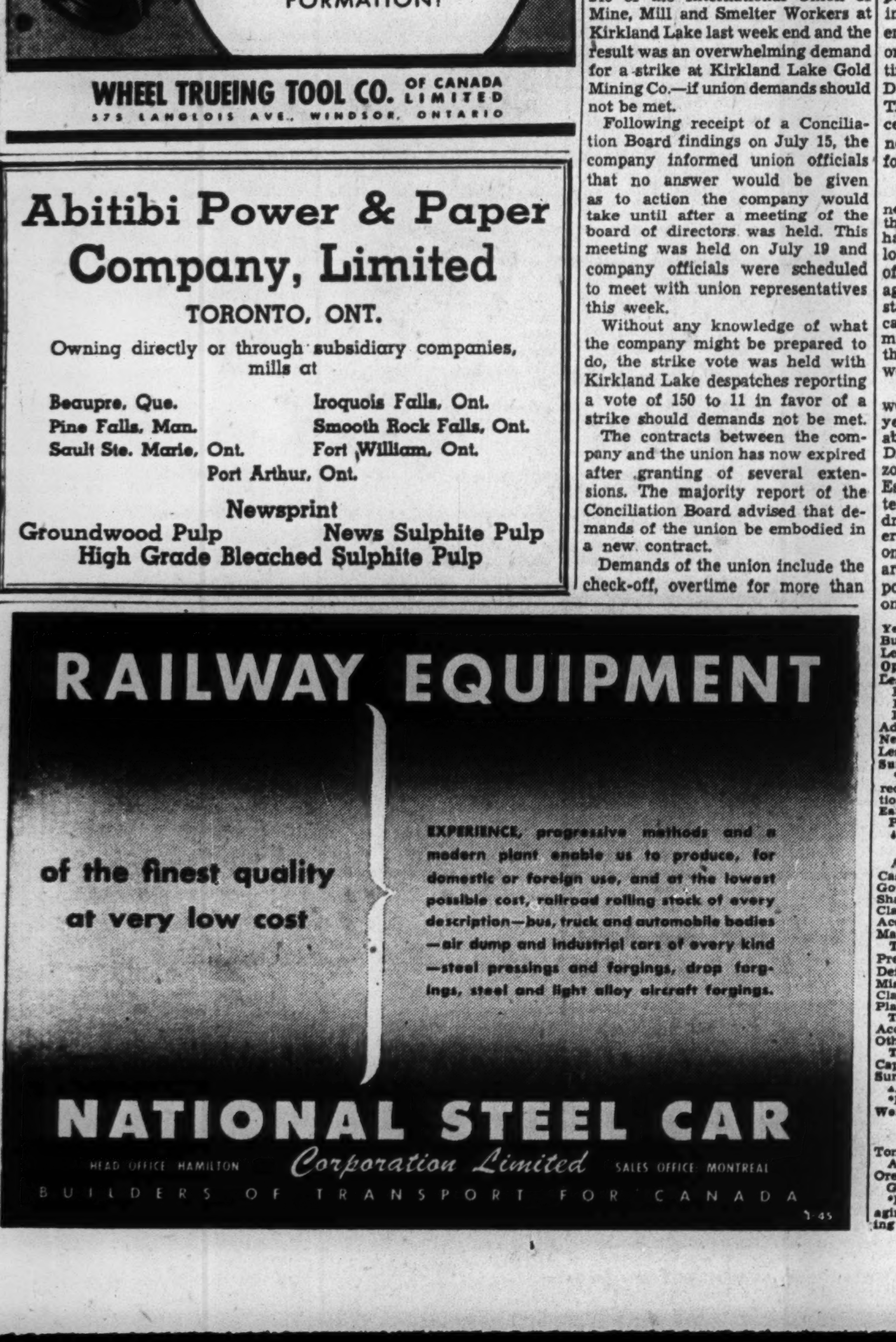

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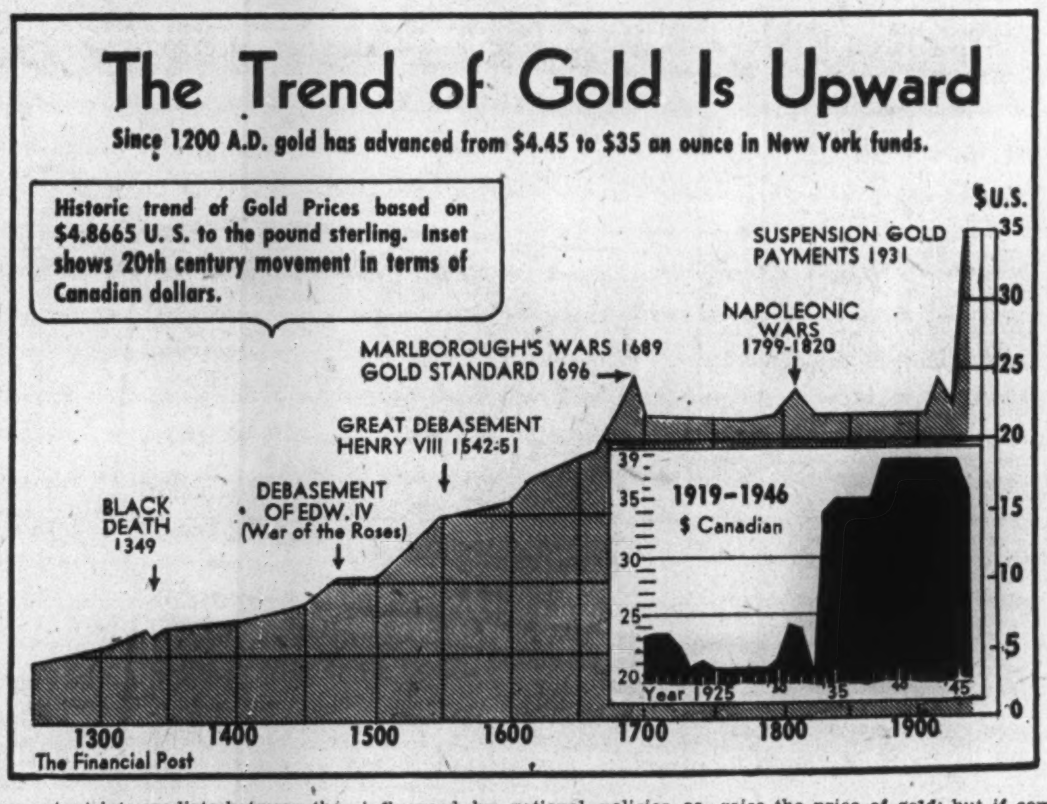
Will Washington Raise Price of Gold?

With the value of the U. S. dollar seriously affected by currency revaluations in Canada and Sweden plus rising prices at home, the question of a possible increase in the price of gold is being raised from many quarters.

To find out for its readers what implications lie in this much-talked-of but often misunderstood subject, The Financial Post asked Prof. Donald C. MacGregor of the University of Toronto a series of questions based on the possibility of a rise in gold. His answers are reported below in the first of two articles.

Professor MacGregor is a graduate of U. of T. (1928) and associate professor in the Department of Political Economy of that University. In addition to his teaching duties, he has published a number of scientific papers and critical articles. During 1937-38 he was in charge of national income research for the Rowell-Sirois Commission and in 1943-44 was a Guggenheim fellow. For eleven years he has been Canadian correspondent of the Economic Service, sponsored by the Universities of London and Cambridge.



1. Do you think it likely that the United States will shortly increase the price of gold? Since the parity of the Canadian dollar rumors of such an increase have been widespread.

At the outset, it should be made clear that the United States, as a member of the new International Monetary Fund, has undertaken not to change the price which it pays for gold except within a margin of 10% as prescribed by the Fund. Moreover, in the rather vague language of the agreement, a member nation shall not even propose a change "except to correct a fundamental disequilibrium" (Art. IV, sec. 5.).

It should also be noted that, under the Fund, a rise of gold prices in the United States would produce a corresponding fall in the value of the dollar on foreign exchange markets. With respect to a simultaneous change in gold prices for all or most members of the Fund, such a change can be made only if favored by a majority of the total voting power and by the United States and Great Britain (Sec. VII).

In what follows, I assume that the Fund does not impose significant restrictions on the United States in the matter of gold prices.

If the United States Government makes its decision on economic grounds, it will probably wait for some time to see how far gold production recovers from the recent wartime contraction, especially in the United States. The Government will think twice before raising the price of gold again. The higher price paid since 1934 brought forth a greater output than anticipated, from all over the world, with embarrassing results for Washington.

If the Treasury continues paying $35 an ounce, and if only a moderate increase in the cost of mining gold occurs, the postwar revival of production will be kept within modest limits. If mining costs rise beyond a certain range, however, gold output will be curtailed too much. It would be idle for the writer to pretend that he knows the amount of domestic and foreign production which the United States Government considers too much or the amount which it considers too little, but it seems reasonable to suppose that an output intermediate between the high level of the late 1930's and the depressed level of the 1920's would be considered satisfactory. (It will be recalled that U. S. output was cut in half during World War 1 and that it did not recover until after 1934.)

Effect on Mines

As to how far today's higher mining costs will check output, the writer is not in a position to say. An informed answer could be given only by experts in the economics of gold mining, after careful examination of the amount of production which came from the low-grade ore bodies which had begun to be worked before the war, and of alternative higher-grade ores now held in reserve. In this connection the figures of costs per ounce of gold produced, as ordinarily published in the form of a single average for each mine, would not give sufficient information. It would be necessary to know, in addition, the costs of producing gold from the principal grades of ore now being worked in each mine, and the altered proportion in which reserves of varying richness might be worked if costs of operation were higher. Obviously the workable ore reserves will be reduced by higher costs, and the lives of most mines will be shortened, if other things such as technique remain unchanged, but it does not necessarily follow that production in the next few years will fall greatly. It should be remembered, too, that in mines where gold occurs with other metals such as copper, the relation between gold output and the profits from gold mining is complicated by the revenue from the copper or other metals and that some gold may be produced virtually as a by-product, irrespective of its price.

Effect on Production

Broad economic considerations should (I do not say will) lead the United States to consider the effect of its gold price on (a) production in other countries, especially of the British Commonwealth and Empire, which ordinarily account for more than half of world output and on (b) the use and distribution of gold as a monetary metal.

In the 1930's gold miners abroad responded to $35 an ounce with almost the same alacrity as those in the United States, but postwar conditions abroad will vary with different levels of costs, taxes, etc., established since 1939, especially if these are not fully compensated for by adjustments in foreign exchange rates. (The wide disparities now prevailing in internal price levels and hence, presumably, in mining costs are well displayed in a page of charts in the National City Bank's monthly letter for July, 1946.) If the gains from gold mining are to be seriously influenced by national policies as well as by the basic factors which determine profits, the international picture may be more complicated than hitherto, calling for either more or less adjustment of price than that indicated by the behaviour of gold mining in the United States only.

Effect on Gold Stocks

As to monetary considerations, a rise in the price of gold, while it gives a greater financial significance to existing gold holdings of the various central banking authorities, obviously has no immediate effect on their relative position except where silver is also employed for reserves. Ultimately, a rise may affect the standing of countries by altering the geographical distribution of gold output.

During the war the world's monetary gold stocks were dispersed to a surprising extent as Great Britain and Canada and more especially the United States purchased materials from overseas countries. The gold position of most of the nations outside of Europe which were embarrassed during the depression is now therefore strong, especially in South America, and further strength is no doubt added by the formation of the International Monetary Fund. There is not at present, then, the same need as before the war for increasing the gold reserves of the many small countries which depend on exports of primary products and imports of capital.

The value of the world's monetary gold reserves should also be considered from a long-term viewpoint. To be effective as a means of settling international balances, the value of gold stocks must bear a certain relation to the balances involved. The size of the balances to be met is determined more by the extent and frequency of disturbances in international trade and capital movements than by the total value of international transactions taking place.

Nevertheless, if the price level of goods and services entering international trade is to be considerably higher, and if correspondingly larger capital transactions are involved (both being valued in United States dollars), there is a presumption that greater sums would be required to meet occasional deficits in the international accounts. In other words, a marked world-wide rise of prices and turnover, if it went far enough and persisted, would eventually create a need for raising the value of the world's monetary gold. I do not believe we have yet reached that stage, for the moderate rise experienced thus far has served, if anything, to economize gold reserves by distributing them more evenly.

Briefly, then, I see no immediate necessity for the United States to raise the price of gold; but if commodity prices rise appreciably higher, and more especially if the rise is world wide, the long term outlook is for higher gold prices too. It used to be that we spoke of gold as determining or at any rate as limiting the movements of prices; today, owing to overexpansion of paper money and bank credit, the net pressure of economic forces seems to work in the opposite direction and we consider the possibility of commodity prices determining the gold price.

2. What would be the effect of a rise in the price of gold?

The immediate effects would be felt mainly by gold mines and those interested in them as employees, shareholders, or as suppliers of goods and services. The benefit would naturally be concentrated in certain countries and areas. The British Commonwealth would benefit especially owing to the resulting increase in the supply of American dollars.

Gold output would be stimulated, and larger supplies for monetary purposes would probably give encouragement to more orderly internal and international currency arrangements. It is obvious that beyond a certain range of increase there would be losses as well as gains since gold's value as a lubricant of commerce depends on the relatively fixed stock available, that is, on its continuing scarcity.

Higher prices would result in a corresponding increase in the value of monetary gold stocks. This might accentuate the rise of commodity prices, not generally regarded as desirable at present.

A decrease in the price of gold, if appreciable, would have the opposite effects and in the present juncture of rising costs would make it necessary to divert most of the labor now engaged in gold mining into other activities where alternatives were available. Extensive mine workings, surface equipment and community capital such as houses, stores and public improvements would have to be abandoned as a total loss.

Next week Professor MacGregor tells what might be expected to happen if a free market for gold were established in Canada and how likely such a development may be regarded.

Cuyuni Modifies Plans As Deliveries Difficult

Expansion plans have been modified by Cuyuni Goldfields as it was found impossible to obtain immediate delivery of all items of machinery and equipment required for the proposed program, President Matthew Sutton reports in a progress report to shareholders.

Immediate objective for plant expansion is now installation of equipment capable of mining and milling 125 to 150 tons of ore daily. Practically all the equipment necessary to bring this plan of operation into effect is stated to have been landed at the property. Two steam-driven generators are being installed, Mr. Sutton reports, with one unit completed and the other expected to be ready for operation as required. Two additional Diesel-driven generators are en route from San Francisco and installation of these two units is expected to provide sufficient power for immediate requirements.

In the Aleck Hill section, the No. 1 shaft is now 250 ft. below surface or approximately 40 ft. below the oxidized zone and over 100 ft. below No. 2 level. A station is being cut and No. 3 level will be opened up in the primary ore zone, where diamond drilling intersections gave good values, it is stated.

An adit-tunnel is being driven to explore the adjacent Walcott ore zone, where ore values were indicated by open cuts and shallow shafts. Drifting is progressing in an ore section, showing widths up to 35 ft. of commercial ore, according to Mr. Sutton. Development of this zone will be carried out as soon as the new mill gets into operation.

In the first five months of this year (to May 31), a total of 6,002 tons of ore were milled, with an average gold content of 0.874 ounces gold. Recovery totalled 4,794 ounces or 91.32%. The tonnage treated averaged 40 tons daily.

On March 4, directors accepted the resignation of W. J. Asselstine, as managing director and placed the conduct of the company's operations in British Guiana under the charge of R. E. G. Sinke, who had been elected to the company's board at the last annual meeting. Subsequently, certain changes in the operating staff were made by Mr. Sinke, with approval of directors. These changes are stated to have resulted in certain readjustments in the company's immediate plans, in order to realize, at the earliest possible time, the objectives set by directors last Jan. 21.

The Government of British Guiana is now constructing an air field approximately five miles from Aleck Hill mine and the company is building a road from the mine to the air field. Full advantage was taken of the recent high water on the Cuyuni River to move all heavy mining equipment and supplies to the mine.

HEVA CADILLAC GOLD MINES advises that July option installment on 40,000 shares at 50 cents a share has not been exercised and balance of agreement with Federal Trading & Agency Co. has been terminated for default.

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Pollywog, Streamlined Plywood Boat Pays Off for Self-taught Inventor

Promising among developments for peacetime use of plywoods, produced originally by the Canadian lumber industry for use in warplane construction, is its adaptation to boat-building. The material lends itself readily to shaping and molding, its laminated form greatly increases its strength over straight-grained unlaminated woods, and construction methods based on those developed in the aircraft industry may result in low-cost mass-production of pleasure boats of many types and sizes.

Thirty-two-year-old Hugh Dodds' Aero Marine Industries, Toronto, is a new concern pioneering in this field.

What makes the craft Dodds turns out of his small Queensway plant interesting is that:

(1) It is a completely pressure-molded aircraft type plywood boat.

(2) When in motion, it looks as though it is travelling backward.

(3) It is already being marketed at low cost, even though production is still at the small-scale stage.

Unconventional, if not revolutionary, the design of Dodds' small, multiple-purpose boat is strikingly similar to the tear-drop shape of the jettison tanks used on long-range Mosquito fighter-bombers to supplement their fuel supply. Dodds has aptly trade-named his boat the Pollywog—blunt-nosed, tapering away smoothly to a slim stern.

Inspired by Mosquito

Young Dodds worked through the war at Massey-Harris' Weston plant, where Mosquito sections were prefabricated. Most of his ideas for the Pollywog came from the work he did in drawing plans for Mosquito drop tanks, and supervising their construction. These he has incorporated in the design and construction of the sturdy little boats he builds at the rate of three a week, far short of the rate at which he ought to be building them to meet the demand.

Dodds admits being a sort of jack-of-all-trades and a master of some. He is mainly self-taught, but he had a lot to start with—the natural talents of a craftsman and an imaginative, inventive sense, which has aided him since he left high school and plugged his way through a correspondence course in architectural drawing.

Dodds' first effort at making living was at the age of 21 when he entered the building field. He assumed the combined role of architect-contractor-builder - bricklayer - carpenter-plumber-electrician, finished and sold two smart bungalows in Toronto's Kingsway subdivision. But 1935 was a bad year in the building business. Dodds says that while he learned a lot, he didn't get much more than that out of it.

Trial, Error Method

At the same period, he began building boats in a cellar workshop at home in his spare time. The first one in 1935 he sailed for a couple of months, noted some changes he would like to make in it, then sold it. Then he drew new designs altering those of the first, built one, sailed it a short time, noted alterations and improvements he would like to make in a third boat, and then sold the second. This process of redesigning, building, testing and selling his home-made boats went on until he had produced 12 craft by 1939. The twelfth was just about what he wanted, a nice little V-bottom 14-footer carrying 122 sq. ft. of sail. She was planked with plywood in simple bends and she met his specifications as to sailability, seaworthiness, sturdiness and speed.

Caught in a blow off Rochester in the summer of 1944 while sailing a 30-footer, Dodds lost his tow dinghy because it wouldn't tow properly. It zigged and zagged, swamped and had to be cut loose. That was a conventional-design towing dinghy and with its loss, Dodds determined to build a dinghy which would tow properly.

First Pollywog Hatched

A year ago May when Massey-Harris began to fold up its war contracts, Dodds again began working in the cellar at home, building the mold for his Pollywog. He had one assistant. Their efforts soon outgrew the space in the cellar and, tiring of bumping their heads on pipes and floor joists, they looked for empty factory space they could use as a workshop; finally moved into the old Humber Bay post office, grocery store and Legion branch hall.

Dodds' first Pollywog came off the form in mid-September weighing 90 pounds (too heavy), built of three one-sixteenth-inch veneers laid upon the mold layer by layer and pressed into shape (too costly and laborious), 10 feet two inches long (not bad), and a four-inch freeboard (not enough). The following Sunday came the tests. They toted the queer-looking boat down to Toronto Bay and put it in the water at the Queen City Club. Its appearance created a stir along the waterfront where Dodds put it through its paces.

On the strength of its performance, he got three orders to be filled as rapidly as he could build boats like the test model.

The boat had been towed back and forth across the bay as a tow dinghy and had come along with ease on a perfectly straight course with no zig-zagging or digging its nose into the slip wave and swamping. It left no wake and consequently produced no drag, since the water slid around its bulging prow and flowed away to the stern. It carried five people comfortably and rode so easily that even with that load aboard, it got across to the island almost as quickly as the ferry. But it rode so low in the water that waterfront lifeguards became concerned when they spotted what looked like five men in the middle of the bay, sitting on the surface and sliding along on the seats of their pants.

Solved Cost Problem

The first Pollywog became the prototype of the present line. How to get costs down was Dodds' first problem. He solved it by boiling the veneer to make it pliable and pressing it to shape. The best type of plywood proved to be ⅛-in. three-ply birch, phenolic bonded, full strength aircraft type of the same grade which went into nacelles and other difficult-to-make warplane pieces. With it, Dodds got the strength he wanted to build into his boats to withstand the general rough usage he expected them to get. Phenolic bonding was guarantee against both delamination and leakage. Sound framing and bracing gave added strength.

Supplies of surplus war materials were obtained through War Assets Corp. last Nov., sufficient to allow Dodds to get into production during the winter months. He began taking on help and teaching his men the tricks of making his type of boat. He bought up and built for himself the machinery needed. He designed a smaller Pollywog (8 ft. 6 in. long and 4 ft. 2 in. beam), and a bigger one (14 ft. 2 in. long and 4 ft. 4 in. beam). And he incorporated modifications to make any of his models up as sailing dinghies with conventional centre-board which would still be convertible into either rowboats or outboard-powered motorboats. He could sell them in a range from $150 for the smallest model to $285, complete with sail, for the de luxe 14-footer, clear a profit for himself and take care of a weekly payroll of more than $200 for his seven helpers.

By the end of June, Aero Marine had turned out 33 boats and Dodds had more orders than he knew how to fill for months to come. He needs more help, more space, more supplies and the only thing he doesn't need yet is a sales staff. Orders are still rolling in from a classified ad appearing in one Toronto paper. His production rate is steadily increasing. Time spent on each boat has been cut to 10 days and he is shipping them as rapidly as they come off his line, mostly to buyers with inland lake properties in Ontario. Several have gone to owners of larger pleasure craft on the Great Lakes, and one to a buyer in Río de Janeiro.

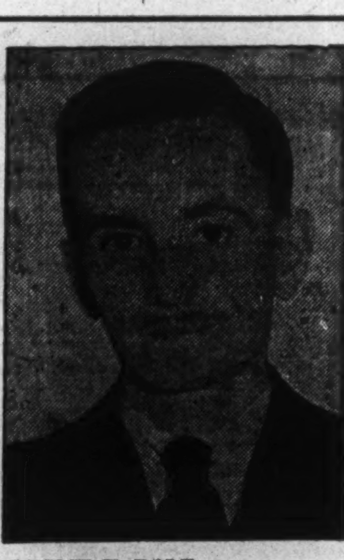
Looks To Future

Dodds is sanguine about the future of Aero Marine. His capital investment stands at something less than $10,000, all from his own savings, and while the first eight months produced no return, his efforts are now beginning to pay off handsomely. He plans to produce new models, up to 20-footers, among them an inboard-powered model which can be portaged with ease, as are his present models, (lightest of which is only 70 pounds and the largest about 85). The inboard engine he will use is a small, air-cooled unit which will lock on brackets installed amidship.

He is already filling a big order for plywood surfboards, turning out between 40 and 50 a month, and is undertaking manufacture of the Red Cross torpedo-type life-saving buoy, hitherto made of metal. He is experimenting with a racing catamaran type craft which he hopes will prove a speedy job in rough water and will not be confined to sheltered-area sailing as are most of the present boats of this design. He has been approached to fill an order for 500 plywood canoes of the same construction and material he puts into the Pollywog. He'll fill it, he says, if he can figure out how to make these canoes as good as, or better than, any now on the market, to retail profitably at $100.

Dodds tendered on a contract to make radio cabinets with plywood, admits he burned his fingers there. He has determined that as his business develops, he will concentrate on making articles which can be produced by forming plywood and by low-pressure laminating methods.

Aero Marine's present quarters are old, inadequate, but Dodds has a new hangarlike factory already designed and hopes his business will be able to afford its construction, perhaps in 1947. Naturally, it will be built of plywood.



LESLIE H. BOLE

has been appointed manager of the Sorel shipyards of Marine Industries Ltd.

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	1945	1944
Liabs. to public, etc.*	$24,550,401	$24,090,631
Shareholders' equity	20,719,643	20,354,656
*Secured by:		
Mortgages	25,761,982	24,194,211
Realty for sale..	2,086,339	3,052,561
Office premises	318,501	336,501
Liquid assets▲ ..	17,103,222	16,862,014
Total	45,270,044	44,445,287
▲Incl. stocks and bonds.		
Earned per Share ..	$4.14	$4.09
Paid‡	385 frs.	160 frs.

‡Exchange per 100 French frs.: $0.94 in 1945 (rate $2.24½ to Dec. 25, $0.94 thereafter); $2.24½ in 1944.

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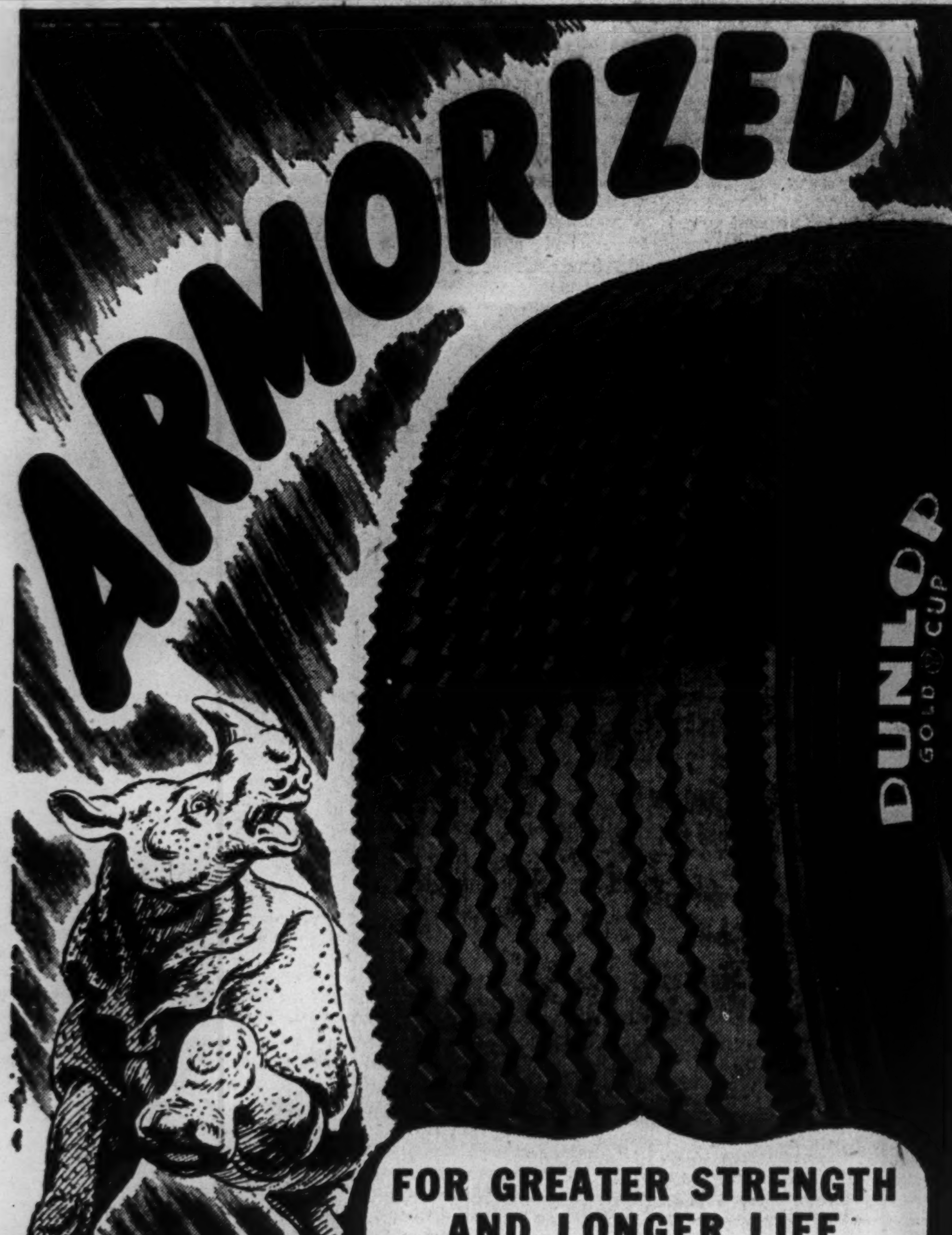

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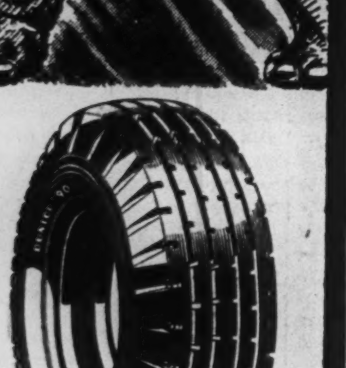

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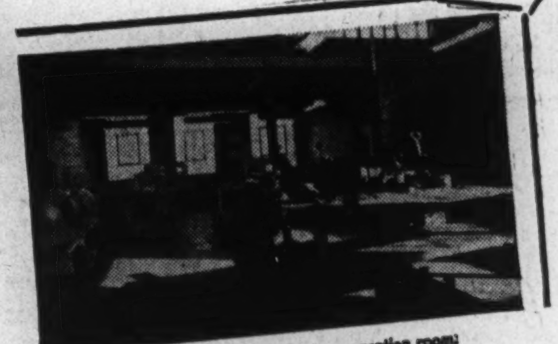
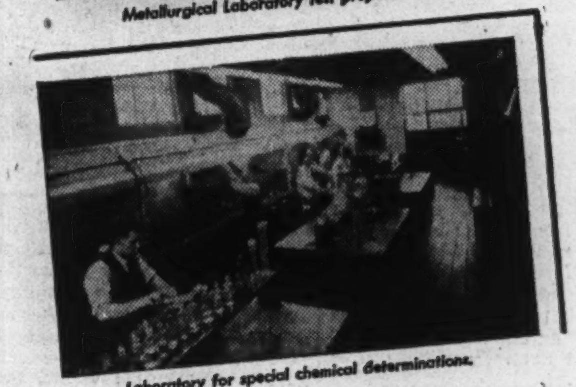


Metallurgical Laboratory test preparation room.



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Sir Frederick Grant Banting—A Tribute. *By W. E. Robinson.*

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MAY 16TH, 1921, he stood in a small, dingy room in the Medical Building of the University of Toronto, a self-appointed seeker, untitled, unpaid, but sustained by a conviction that he was on the track of a great discovery.

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He believed he had the key to the dread riddle of diabetes, a disease that had baffled medical science since the dawn of history. Medical opinion was skeptical, but physiologists and biochemists added their efforts and soon the rumour was whispered in hospitals and stricken homes "*Banting of Toronto has discovered a treatment for diabetes*".

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1846 One of a series depicting the growth of Canada as a nation, produced by O'Keefe's on the occasion of their 100th anniversary. 1946

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